

1                   IN THE UNITED STATES DISTRICT COURT  
2                   FOR THE NORTHERN DISTRICT OF OHIO  
3                   EASTERN DIVISION

4           -----                   )  
5   IN RE: NATIONAL                   ) MDL No. 2804  
6   PRESCRIPTION OPIATE               )  
7   LITIGATION                         ) Case No.  
8   -----                   ) 1:17-MD-2804  
9                   )  
10   THIS DOCUMENT RELATES TO         ) Hon. Dan A. Polster  
11   ALL CASES                         )  
12   -----                   )

13                   HIGHLY CONFIDENTIAL  
14                   SUBJECT TO FURTHER CONFIDENTIALITY REVIEW

15                   VIDEOTAPED FACT DEPOSITION  
16                                   and  
17                   30(B)(6) DEPOSITION  
18                                   OF  
19   WALGREENS BOOTS ALLIANCE, INC. a/k/a WALGREEN CO.  
20                                   BY  
21                   EDWARD KALETA

22                                   December 18, 2018  
23                                   Chicago, Illinois

24                   GOLKOW LITIGATION SERVICES  
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<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7 The videotaped Fact and 30(b)(6) deposition</p> <p>8 of EDWARD KALETA, called by the Plaintiffs for</p> <p>9 examination, taken pursuant to the Federal Rules of</p> <p>10 Civil Procedure of the United States District</p> <p>11 Courts pertaining to the taking of depositions,</p> <p>12 taken before CORINNE T. MARUT, C.S.R. No. 84-1968,</p> <p>13 Registered Professional Reporter and a Certified</p> <p>14 Shorthand Reporter of the State of Illinois, at the</p> <p>15 offices of Bartlit Beck Herman Palenchar &amp; Scott,</p> <p>16 Suite 700, 54 West Hubbard Street, Chicago,</p> <p>17 Illinois, on December 18, 2018, commencing at 8:09</p> <p>18 a.m.</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>	<p>1 APPEARANCES (Continued):</p> <p>2 ON BEHALF OF ENDO HEALTH SOLUTIONS INC. and</p> <p>3 ENDO PHARMACEUTICALS, INC.,</p> <p>4 PAR PHARMACEUTICAL, INC., and PAR PHARMACEUTICAL</p> <p>5 COMPANIES, INC. (f/k/a Par Pharmaceutical</p> <p>6 Holdings, Inc.):</p> <p>7 ARNOLD &amp; PORTER KAYE SCHOLER, LLP</p> <p>8 777 South Figueroa Street, 44th Floor</p> <p>9 Los Angeles, California 90017-5844</p> <p>10 213-243-4000</p> <p>11 BY: ERIC SHAPLAND, ESQ.</p> <p>12 eric.shapland@arnoldporter.com</p> <p>13 (via telephone and livestream)</p> <p>14</p> <p>15 ON BEHALF OF McKESSON CORPORATION:</p> <p>16 COVINGTON &amp; BURLING LLP</p> <p>17 850 Tenth Street, NW</p> <p>18 Washington, DC 20001-4956</p> <p>19 202-662-6000</p> <p>20 BY: GABRIEL FULMER, ESQ.</p> <p>21 gfulmer@cov.com</p> <p>22 (via telephone)</p> <p>23</p> <p>24 ON BEHALF OF CARDINAL HEALTH, INC.:</p> <p>ARMSTRONG TEASDALE LLP</p> <p>7700 Forsyth Boulevard, Suite 1800</p> <p>St. Louis, Missouri 63105</p> <p>314-621-5070</p> <p>BY: JULIE FIX MEYER, ESQ.</p> <p>jfixmeyer@ArmstrongTeasdale.com</p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p>
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<p style="text-align: right;">Page 6</p> <p>1 ALSO PRESENT:</p> <p>2 KATIE MAYO, Legal Assistant kmayo@levinlaw.com</p> <p>3 SARAH MERCED, Legal Assistant smerced@levinlaw.com</p> <p>4 MADISON SHELQUIST, Legal Assistant, mshelquist@levinlaw.com</p> <p>5 (via livestream)</p> <p>6 MARK FREDO, mfredo@levinlaw.com</p> <p>7 (via livestream)</p> <p>8 COREY SMITH, Trial Technician</p> <p>9</p> <p>10</p> <p>11 VIDEOTAPED BY: BEN STANSON</p> <p>12</p> <p>13 REPORTED BY: CORINNE T. MARUT, C.S.R. No. 84-1968</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>	<p style="text-align: right;">Page 8</p> <p>1 E X H I B I T S</p> <p>2 WALGREENS-KALETA EXHIBIT MARKED FOR ID</p> <p>3 No. 6 6/19/18 e-mail with 83 attachments; WAGMDL00376065 - 00376072</p> <p>4</p> <p>5 No. 7 4/23/18 e-mail string with 88 attachment;</p> <p>6 WAGMDL00035669 - 00035683</p> <p>7 No. 8 10/31/17 e-mail string with 95 attachment;</p> <p>8 WAGMDL00385788 - 00385791</p> <p>9 No. 9 Binder containing Settlement 105 and Memorandum of Agreement between DOJ, DEA and Walgreens and other documents;</p> <p>10 WAGMDL00490963 - 00490978</p> <p>11</p> <p>12 No. 10 5/9/18 e-mail string; 150 WAGMDL00383697 - 00383700</p> <p>13</p> <p>14 No. 11 12/15/15 e-mail string with 157 attachment; WAGMDL00042452 - 00042464</p> <p>15</p> <p>16 No. 12 5/6/16 e-mail; 169 WAGMDL00615477</p> <p>17 No. 13 5/3/16 e-mail string with 175 attachment; WAGMDL00615504 - 00615509</p> <p>18</p> <p>19 No. 14 6/13/16 e-mail string with 181 attachments; WAGMDL00378634 - 00378639</p> <p>20</p> <p>21 No. 15 7/17/17 e-mail string with 190 attachment; WAGMDL00374710 - 00374719</p> <p>22</p> <p>23</p> <p>24</p>
<p style="text-align: right;">Page 7</p> <p>1 I N D E X</p> <p>2 EDWARD KALETA EXAMINATION</p> <p>3 BY MR. GADDY..... 14</p> <p>4 BY MR. SWANSON..... 358</p> <p>5 BY MR. GADDY..... 372</p> <p>6</p> <p>7 EDWARD KALETA - 30(b)(6)</p> <p>8 BY MR. GADDY..... 383</p> <p>9</p> <p>10 E X H I B I T S</p> <p>11 WALGREENS-KALETA EXHIBIT MARKED FOR ID</p> <p>12 No. 1 GAO Report to Congressional 29 Requesters, Prescription Drugs, OxyContin Abuse and Diversion and Efforts to Address the Problem; P-GEN-0007</p> <p>13</p> <p>14 No. 2 Congressional Report, 47 "OxyContin: Its use and abuse," etc., August 28, 2001; P-GEN-0047</p> <p>15</p> <p>16 No. 3 6/7/17 e-mail string; 53 WAGMDL00038786 - 00038791</p> <p>17</p> <p>18 No. 4 11/2/16 e-mail with 62 attachment; WAGMDL00375070 - 00375071</p> <p>19</p> <p>20 No. 5 3/30/16 e-mail string; 70 WAGMDL00377962 - 00377967</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>	<p style="text-align: right;">Page 9</p> <p>1 E X H I B I T S</p> <p>2 WALGREENS-KALETA EXHIBIT MARKED FOR ID</p> <p>3 No. 16 4/9/18 e-mail string with 202 attachment; WAGMDL00315889 - 00315903</p> <p>4</p> <p>5 No. 17 6/19/17 e-mail string; 204 WAGMDL00612155 - 00612157</p> <p>6</p> <p>7 No. 18 9/6/17 e-mail string; 207 WAGMDL00595580 - 00595586</p> <p>8 No. 19 1/17/18 e-mail string with 210 attachment; WAGMDL00591948 - 00591951</p> <p>9</p> <p>10 No. 20 9/20/17 e-mail string; 225 WAGMDL00385105 - 00385110</p> <p>11</p> <p>12 No. 21 5/21/18 e-mail string with 237 attachment; WAGMDL00384341 - 00384357</p> <p>13</p> <p>14 No. 22 5/24/18 e-mail string; 254 WAGMDL00616784 - 00616787</p> <p>15 No. 23 3/1/17 e-mail with attachment; 262 WAGMDL00611377 - 00611384</p> <p>16</p> <p>17 No. 24 5/19/16 e-mail string; 272 WAGMDL00600854 - 00600860</p> <p>18 No. 25 10/22/15 e-mail string; 279 WAGMDL00383497 - 00383499</p> <p>19</p> <p>20 No. 26 8/12/16 e-mail string; 290 WAGMDL0044770 - 00044773</p> <p>21 No. 27 4/27/16 e-mail string and 291 attachments; WAGMDL00603118 - 00603128</p> <p>22</p> <p>23</p> <p>24</p>

<p style="text-align: right;">Page 10</p> <p>1           E X H I B I T S</p> <p>2   WALGREENS-KALETA EXHIBIT                    MARKED FOR ID</p> <p>3   No. 28   8/14/17 e-mail string;               300</p> <p>          WAGMDL00385259 - 00385260</p> <p>4</p> <p>5   No. 29   10/23/17 e-mail with               307</p> <p>          attachment;</p> <p>          WAGMDL00385895 - 00385897</p> <p>6</p> <p>7   No. 30   Lobbying Report;                   313</p> <p>          P-WAG-00040</p> <p>8   No. 31   3/2/12 e-mail string;               318</p> <p>          WAGMDL00642592 - 00642594</p> <p>9</p> <p>10   No. 32   1/29/16 e-mail string with       322</p> <p>          attachment;</p> <p>          WAGMDL0000613455 - 00613467</p> <p>11</p> <p>12   No. 33   10/27/17 e-mail string;           327</p> <p>          WAGMDL00386743 - 00386745</p> <p>13   No. 34   3/2/18 e-mail string with       334</p> <p>          attachment;</p> <p>          WAGMDL0000644179 - 00644182</p> <p>14   No. 35   1999 - 2016 maps, National       342</p> <p>          Center for Health Statistics,</p> <p>          National Vital Statistics</p> <p>          System, mortality data</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>	<p style="text-align: right;">Page 12</p> <p>1       THE VIDEOGRAPHER: We are now on the record.</p> <p>2   My name is Ben Stanson. I'm a videographer for</p> <p>3   Golkow Litigation Services.</p> <p>4       Today's date is December 18, 2018, and</p> <p>5   the time is 8:09 a.m.</p> <p>6       This video deposition is being held in</p> <p>7   Chicago, Illinois in the matter of the National</p> <p>8   Prescription Opiate Litigation, pending in the U.S.</p> <p>9   District Court, Northern District of Ohio, Eastern</p> <p>10   Division.</p> <p>11       The deponent is Ed Kaleta.</p> <p>12       Counsel will be noted on the</p> <p>13   stenographic record.</p> <p>14       Our Court Reporter is Corinne Marut.</p> <p>15   Will you please swear in the witness.</p> <p>16       (WHEREUPON, the witness was duly</p> <p>17       sworn.)</p> <p>18   MR. GADDY: Corinne, did you get everybody</p> <p>19   that's in attendance?</p> <p>20       (Clarification by the reporter.)</p> <p>21   MR. SHAPLAND: Eric Shapland, Arnold &amp; Porter,</p> <p>22   on behalf of Endo and Par.</p> <p>23   MS. ALLEN: Erin Gibson Allen from Marcus &amp;</p> <p>24   Shapira on behalf of Defendant HBC.</p>
<p style="text-align: right;">Page 11</p> <p>1           E X H I B I T S</p> <p>2   WALGREENS-KALETA 30(b)(6) EXHIBIT    MARKED FOR ID</p> <p>3   No. 1   Second Notice of Deposition to   384</p> <p>          Defit. Walgreens Boots</p> <p>4       Alliance, Inc. a/k/a Walgreen</p> <p>          Co.</p> <p>5   No. 2   DEA Compliance Working Group   404</p> <p>          1/10/13 Meeting Summary;</p> <p>6       CAH_MDL2804_02933683 - 02933700</p> <p>7   No. 3   Document, "Payments, Payments   417</p> <p>          for the 1 selected</p> <p>8       Organization, 12 September 2018";</p> <p>          WAGMDL00286426 - 00286428</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>	<p style="text-align: right;">Page 13</p> <p>1       MR. FULMER: Gabriel Fulmer from Covington &amp;</p> <p>2   Burling on behalf of McKesson.</p> <p>3       MR. GADDY: And I'm Jeff Gaddy on behalf of</p> <p>4   the Plaintiffs.</p> <p>5       MR. NORTEY: This is James Nortey with Morgan,</p> <p>6   Lewis on behalf of Rite Aid.</p> <p>7       MR. SWANSON: Do you want to keep going?</p> <p>8       MS. MAYO: Katie Mayo on behalf of the</p> <p>9   Plaintiff with Levin Papantonio.</p> <p>10      MS. MEYER: Julie Fix Meyer, Armstrong</p> <p>11   Teasdale, on behalf of Cardinal Health.</p> <p>12      MR. YINGLING: Patrick Yingling with Reed</p> <p>13   Smith on behalf of AmerisourceBergen Drug</p> <p>14   Corporation.</p> <p>15      MR. BEISELL: Patrick Beisell, Jones Day, on</p> <p>16   behalf of Defendant Walmart.</p> <p>17      MS. DESH: Sharon Desh from Bartlit Beck on</p> <p>18   behalf of Walgreens.</p> <p>19      MR. SWANSON: Brian Swanson from Bartlit Beck</p> <p>20   on behalf of Walgreens.</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>

<p style="text-align: right;">Page 14</p> <p>1 EDWARD KALETA, 2 called as a witness herein, having been first duly 3 sworn, was examined and testified as follows: 4 EXAMINATION 5 BY MR. GADDY: 6 Q. Good morning, Mr. Kaleta. Is it Kaleta 7 or Kaleta? 8 A. Yes, Kaleta. 9 Q. Kaleta. My name is Jeff Gaddy. I 10 represent the Plaintiffs in this matter, and I'm 11 going to ask you some questions this morning. 12 As your attorney referenced just before 13 we started today, not only are you being deposed as 14 a fact witness, but also you're designated on a 15 30(b)(6) topic, correct? 16 A. Yes. 17 Q. Okay. So, what I expect or what I plan 18 to do today is to take your fact testimony first 19 and before I start asking you questions as in your 20 capacity as the corporate designee, I'll make that 21 clear to you. Okay? 22 A. Okay. 23 Q. Where do you work? 24 A. I work at Walgreens.</p>	<p style="text-align: right;">Page 16</p> <p>1 A. I've been a registered lobbyist for 2 Walgreens dating back to 2011. 3 Q. And do you have other individuals within 4 your department or division who are also lobbyists? 5 A. Yes. There are other individuals on the 6 team that are registered lobbyists. 7 Q. Okay. In your position as vice 8 president of federal government affairs, do you 9 have a team that reports to you? 10 A. Yes. I have individuals that report to 11 me as part of the federal government relations 12 portion of my position. 13 Q. Okay. How many people? 14 A. There are -- can you be a little more 15 specific on the team or? 16 Q. Sure. How many lobbyists work 17 underneath you and report to you? 18 A. So, as part of the federal government 19 relations team, there are two other registered 20 lobbyists. 21 Q. Who do you report to? 22 A. I report to Chuck Greener. 23 Q. What's his position? 24 A. Chuck Greener is the senior vice</p>
<p style="text-align: right;">Page 15</p> <p>1 Q. What's your title? 2 A. My current title is vice president of 3 federal government relations and U.S. public 4 policy. 5 Q. And how long have you held that 6 position? 7 A. About three years. 8 Q. What was your position before that? 9 A. Before that I was the senior director of 10 federal government relations. 11 Q. And was that your position going back to 12 2011? 13 A. Yes. 14 Q. Has all of your duties at Walgreens 15 since you began in 2011 involved federal government 16 relations? 17 A. Going back to 2011, some of my duties 18 have involved federal government relations. 19 Q. To perform your duties in that position, 20 are you registered as a lobbyist? 21 A. That's correct. I'm a registered 22 lobbyist. 23 Q. How long have you been a registered 24 lobbyist for Walgreens?</p>	<p style="text-align: right;">Page 17</p> <p>1 president for global public affairs, 2 communications, government relations. 3 Q. Does your division have the sole 4 responsibility for federal lobbying within 5 Walgreens? 6 A. There are other individuals who at 7 different times, other individuals, other 8 departments throughout the company that may 9 contribute on a limited basis. 10 But as far as having the main 11 responsibility on behalf of the company for 12 lobbying, I think the answer to your question would 13 be yes. 14 Q. Okay. Who are the other two folks that 15 are lobbyists who report to you? 16 A. Alethia Jackson and Katie Bond Troller. 17 Q. Would it be fair to say that you, 18 Ms. Jackson and Ms. Troller are the primary 19 individuals who conduct federal lobbying on behalf 20 of Walgreens? 21 A. Yes. That's fair to say. 22 Q. Does -- I'm sorry, but I think you said 23 you report to Charles -- is it Greenbriar? 24 A. Chuck Greener.</p>

<p style="text-align: right;">Page 18</p> <p>1 Q. Chuck Greener. Thanks.</p> <p>2 Is he registered as a lobbyist also?</p> <p>3 A. He is not.</p> <p>4 Q. Does your division have a budget for</p> <p>5 federal lobbying activities?</p> <p>6 A. The government relations team overall</p> <p>7 has a budget, yes.</p> <p>8 Q. Does that budget cover things like</p> <p>9 political contributions by Walgreens?</p> <p>10 A. No. Those are separate.</p> <p>11 Q. Okay. Does the federal government</p> <p>12 relations team's budget, does that include dues or</p> <p>13 contributions to trade associations?</p> <p>14 A. That is a portion of the government</p> <p>15 relations budget, yes, dues for trade associations.</p> <p>16 Q. Does that also include any payments to</p> <p>17 consulting groups? Does that come out of that</p> <p>18 budget?</p> <p>19 A. Yes. As part of the overall government</p> <p>20 relations budget, there is also money allocated for</p> <p>21 outside consultants.</p> <p>22 Q. Okay. Does Walgreens utilize outside</p> <p>23 consultants to assist with its lobbying efforts?</p> <p>24 A. We have utilized outside consultants to</p>	<p style="text-align: right;">Page 20</p> <p>1 Q. Will you agree that as a lobbyist your</p> <p>2 goal is to promote Walgreens' positions or agendas</p> <p>3 at the Federal Government level?</p> <p>4 A. No. I believe that the job of the team</p> <p>5 as it relates to federal government relations is to</p> <p>6 share relevant information with elected officials</p> <p>7 and their staff on issues of importance to</p> <p>8 Walgreens.</p> <p>9 Q. You're not trying to influence</p> <p>10 politicians with the information that you provide</p> <p>11 them?</p> <p>12 MR. SWANSON: Object to form, vague.</p> <p>13 BY THE WITNESS:</p> <p>14 A. No. We're trying to share relevant</p> <p>15 information on issues of importance to the company.</p> <p>16 BY MR. GADDY:</p> <p>17 Q. Why do you want to share information</p> <p>18 with them?</p> <p>19 A. Each year and each session of Congress</p> <p>20 there is hundreds, if not thousands, of bills that</p> <p>21 are introduced, some of which have an impact on</p> <p>22 Walgreens, others that do not.</p> <p>23 I believe that our role in the federal</p> <p>24 government relations team is to try to share</p>
<p style="text-align: right;">Page 19</p> <p>1 assist with lobbying, yes.</p> <p>2 Q. And do those outside consultants, do</p> <p>3 they perform lobbying on behalf of Walgreens?</p> <p>4 MR. SWANSON: Object to form.</p> <p>5 BY THE WITNESS:</p> <p>6 A. Our outside consultants perform</p> <p>7 different responsibilities on our behalf. Some of</p> <p>8 them do include direct lobbying, yes.</p> <p>9 BY MR. GADDY:</p> <p>10 Q. So, in addition to you and the other two</p> <p>11 members of your team who are registered as</p> <p>12 lobbyists to advocate on behalf of Walgreens,</p> <p>13 Walgreens also employs or hires outside consultants</p> <p>14 who also will do direct lobbying on behalf of</p> <p>15 Walgreens, is that correct?</p> <p>16 MR. SWANSON: Object to form.</p> <p>17 BY THE WITNESS:</p> <p>18 A. Yes, that is correct.</p> <p>19 BY MR. GADDY:</p> <p>20 Q. And as a lobbyist your goal is to</p> <p>21 influence federal legislation on behalf of</p> <p>22 Walgreens?</p> <p>23 A. No. No. I wouldn't characterize it</p> <p>24 that way.</p>	<p style="text-align: right;">Page 21</p> <p>1 relevant information on behalf of Walgreens on</p> <p>2 issues of importance to the company.</p> <p>3 Q. The purpose of sharing the information</p> <p>4 is so they can know how that particular piece of</p> <p>5 legislation will impact Walgreens?</p> <p>6 A. I think in some cases the goal is to</p> <p>7 share that information in order to have them better</p> <p>8 understand how different pieces of legislation may</p> <p>9 impact the company.</p> <p>10 Q. And you want them to see how the</p> <p>11 legislation will impact Walgreens from Walgreens'</p> <p>12 perspective, correct?</p> <p>13 A. I think it depends. I think there is</p> <p>14 different issues and there is different outcomes.</p> <p>15 There is also different impacts relative to our</p> <p>16 patients, relative to our employees or relative to</p> <p>17 the company overall.</p> <p>18 Q. Is there an aspect of your position that</p> <p>19 is related to public relations?</p> <p>20 A. I think -- it's kind of a vague</p> <p>21 question. It depends on the definition of public</p> <p>22 relations.</p> <p>23 Q. Would you consider your primary</p> <p>24 responsibility or primary job duty to revolve</p>



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1 around the lobbying functions that you perform?

2 A. Primary? No. I wouldn't say it's

3 necessarily primary. I think it depends on what is

4 going on with Congress, what's going on with the

5 administration, which issues may be brought up for

6 discussion.

7 But I wouldn't say that my primary focus

8 on any given day is lobbying. Some days it is.

9 Other days it may revolve more around policy

10 development. Other days it may revolve around

11 other issues of importance to the company that may

12 not have anything to do with lobbying per se.

13 Q. But it's fair to say that some aspect of

14 your -- of your job or at least on some days

15 involves public relations, press events,

16 coordinating those types of functions?

17 A. We have a -- so, the short answer to

18 that question is probably no. We have a

19 communications team that handles media inquiries,

20 press events, press releases. That's separate and

21 distinct from what we do in federal government

22 relations.

23 Q. The budget for you and your team as it

24 relates to -- to the lobbying activities that you

Page 23

1 do, what is that budget?

2 MR. SWANSON: Object to form.

3 BY THE WITNESS:

4 A. Can you repeat the question.

5 BY MR. GADDY:

6 Q. Sure. Let me ask it this way. Does

7 your group, federal government affairs, does it

8 have a budget?

9 A. So, the larger government relations

10 team, which includes federal, state, local policy

11 and other couple functions, has an overall budget.

12 Q. What is that budget?

13 A. It varies from year to year depending.

14 Q. What is it this year?

15 A. I don't know if I can say with certainty

16 what it is for 2018. I could probably guesstimate

17 that that budget is somewhere around 8 to

18 \$10 million.

19 Q. And is that -- would that be a fair

20 guesstimate, going back to when you started with

21 the company in 2011, for what it was on a yearly

22 basis?

23 A. I don't know. I didn't have exposure or

24 access to that type of information back when I

Page 24

1 started in 2011.

2 Q. Okay. Going back for I guess the last

3 three years when you did have access to that

4 information, would that be a fair guesstimate for

5 the last couple of years?

6 A. It's probably a little bit -- may have

7 been a little bit less one or two of those years,

8 but it's probably a fair estimate, yes.

9 Q. Okay. You told me that contributions to

10 trade associations would come out of that budget,

11 payments to consulting groups would come out of

12 that budget.

13 What else would come out of that 8 to

14 \$10 million that Walgreens budgets for federal

15 government affairs on an annual basis?

16 A. Office supplies, travel back to Chicago

17 to headquarters of Walgreens, computers,

18 publications, online publications, salaries, of

19 course, for team members.

20 Q. As we sit here today, do you acknowledge

21 that the United States is in the midst of an opiate

22 crisis?

23 MR. SWANSON: Object to form.

24 BY THE WITNESS:

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1 A. I'm not sure that I can say relative to

2 that term. Can you be -- can you provide a little

3 bit more information?

4 BY MR. GADDY:

5 Q. Would you in your personal capacity

6 consider the United States to be in the midst of an

7 opioid crisis?

8 MR. SWANSON: Object to form.

9 BY THE WITNESS:

10 A. I think that there are a number of

11 challenges related to the opioid epidemic that have

12 been going on for some period of time with more or

13 less exposure put on certain issues over the last

14 several years. It's probably how I'd look at it.

15 BY MR. GADDY:

16 Q. You don't think we are in the middle of

17 an opioid epidemic?

18 MR. SWANSON: Object to form, asked and

19 answered.

20 BY THE WITNESS:

21 A. I think that there is a lot of

22 challenges related to the opioid epidemic, some of

23 which have been more highlighted recently than in

24 other times.

<p style="text-align: right;">Page 26</p> <p>1 BY MR. GADDY:</p> <p>2 Q. Yes or no. Are we in the middle of an</p> <p>3 opioid epidemic?</p> <p>4 MR. SWANSON: Object to form, asked and</p> <p>5 answered.</p> <p>6 BY THE WITNESS:</p> <p>7 A. Again, I'm not familiar with -- I don't</p> <p>8 know if I would characterize what's going on in the</p> <p>9 company -- what's going on in the country with that</p> <p>10 terminology. I think there is a lot of different</p> <p>11 ways to look at what's going on with the opioid</p> <p>12 crisis and its impact on communities as well as</p> <p>13 patients.</p> <p>14 BY MR. GADDY:</p> <p>15 Q. Okay. When you started at Walgreens in</p> <p>16 2011, did anybody at Walgreens tell you that the</p> <p>17 U.S. was in the midst of an opioid crisis?</p> <p>18 A. I'm not sure I can recall seven years</p> <p>19 ago if anybody used that language. But if I had to</p> <p>20 hazard a guess, I'd say no, I don't recall anybody</p> <p>21 coming up to me when I started with the company and</p> <p>22 using that terminology.</p> <p>23 Q. When you started with Walgreens in 2011,</p> <p>24 did anybody at Walgreens provide you with any</p>	<p style="text-align: right;">Page 28</p> <p>1 relations related to combating the opioid crisis</p> <p>2 back in 2011?</p> <p>3 MR. SWANSON: Object to form.</p> <p>4 BY THE WITNESS:</p> <p>5 A. Can you tell me what you mean by</p> <p>6 "activities"?</p> <p>7 BY MR. GADDY:</p> <p>8 Q. Sure. When you started with Walgreens</p> <p>9 back in 2011 as a lobbyist for Walgreens, did</p> <p>10 anybody ask you to go to D.C. and make combating</p> <p>11 the opioid crisis a part of your -- your agenda and</p> <p>12 therefore Walgreens' agenda back in 2011?</p> <p>13 MR. SWANSON: Object to form.</p> <p>14 BY THE WITNESS:</p> <p>15 A. So, I'm based in Washington, D.C., so I</p> <p>16 didn't have to go there. But in terms of was one</p> <p>17 of the key issues presented to me early on when I</p> <p>18 got there in 2011 revolving around the opioid</p> <p>19 crisis, I don't recall that, no.</p> <p>20 BY MR. GADDY:</p> <p>21 Q. Okay. I'm going to show you what I'm</p> <p>22 going to mark as Kaleta 1.</p> <p>23 (WHEREUPON, a certain document was</p> <p>24 marked as Walgreens-Kaleta Exhibit</p>
<p style="text-align: right;">Page 27</p> <p>1 education or training on the scope of the opioid</p> <p>2 epidemic in the U.S.?</p> <p>3 MR. SWANSON: Object to form.</p> <p>4 BY THE WITNESS:</p> <p>5 A. When I joined the company, I was trained</p> <p>6 about things related to my particular position,</p> <p>7 which largely consisted of issues that had been of</p> <p>8 importance to the company prior to me joining as</p> <p>9 well as other aspects of the government relations</p> <p>10 team.</p> <p>11 BY MR. GADDY:</p> <p>12 Q. You don't remember anything specific</p> <p>13 about the opioid crisis or drug abuse as it relates</p> <p>14 to opioids, do you?</p> <p>15 A. I do not.</p> <p>16 Q. Okay. Anybody give you any training or</p> <p>17 education when you started at Walgreens in a -- as</p> <p>18 a federal lobbyist for Walgreens on the scope of</p> <p>19 opioid-related overdoses in the country?</p> <p>20 A. I don't recall seven years ago having</p> <p>21 that type of information shared with me.</p> <p>22 Q. Did anybody at Walgreens when you</p> <p>23 started as a federal lobbyist for the company have</p> <p>24 on your agenda any activities in federal government</p>	<p style="text-align: right;">Page 29</p> <p>1 No. 1: GAO Report to Congressional</p> <p>2 Requesters, Prescription Drugs,</p> <p>3 OxyContin Abuse and Diversion and</p> <p>4 Efforts to Address the Problem;</p> <p>5 P-GEN-0007.)</p> <p>6 BY MR. GADDY:</p> <p>7 Q. Ask you to take a look at this document.</p> <p>8 Do you know if you've ever seen this</p> <p>9 before?</p> <p>10 MR. SWANSON: Counsel, mine is marked as a</p> <p>11 different exhibit. Was this used in a different</p> <p>12 deposition?</p> <p>13 MR. GADDY: It looks like it was used in a</p> <p>14 Cardinal Health deposition.</p> <p>15 MR. SWANSON: So you are re-marking it as</p> <p>16 Kaleta 1 in this deposition.</p> <p>17 MR. GADDY: Right.</p> <p>18 MR. SHAPLAND: And for those on the phone, if</p> <p>19 the document has a Bates number, could you read the</p> <p>20 Bates number into the record, please.</p> <p>21 MR. GADDY: We could do that at the end of the</p> <p>22 deposition if you want that to be done.</p> <p>23 MR. SHAPLAND: Oh, no. During the deposition</p> <p>24 I'd like the Bates number for an exhibit read into</p>



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1 the exhibit so that I can pull it up and look at  
 2 it. Thank you.  
 3 MR. GADDY: We're not going to do that during  
 4 the course of the deposition.  
 5 BY MR. GADDY:  
 6 Q. Have you seen this document before?  
 7 MR. SWANSON: Why are you unwilling to read  
 8 the Bates number on the record? I don't  
 9 understand.  
 10 MR. GADDY: This document doesn't have a Bates  
 11 number.  
 12 MR. SWANSON: So why don't you tell him there  
 13 is no Bates number on it?  
 14 MR. SHAPLAND: Yeah, that would be a fair --  
 15 MR. SWANSON: There is no Bates number on the  
 16 document.  
 17 MR. SHAPLAND: Thank you.  
 18 BY MR. GADDY:  
 19 Q. Have you seen this document before?  
 20 A. I don't believe so, no.  
 21 Q. You recognize this to be a report from  
 22 the United States General Accounting Office?  
 23 A. I mean, it says "United States General  
 24 Accounting Office" at the top, so...

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1 But I have no idea what's in the report.  
 2 It's obviously several, several pages with a lot of  
 3 small print. So...  
 4 Q. Are you familiar with the GAO?  
 5 A. Yes, I'm familiar with the General  
 6 Accounting Office.  
 7 Q. What do you understand it to be?  
 8 A. There is a myriad of functions. I know  
 9 that they -- one of the functions is that they  
 10 produce reports at Congress' request.  
 11 Q. And do you see under where it says the  
 12 "United States General Accounting Office," this  
 13 indicates it's a report to Congressional  
 14 Requesters?  
 15 A. I do see.  
 16 Q. And do you see in the left-hand side of  
 17 the page this is a report from back in December of  
 18 2003?  
 19 A. I see that it says that, yes.  
 20 Q. And the title of the report is  
 21 "OxyContin Abuse and Diversion and Efforts to  
 22 Address the Problem."  
 23 Do you see that?  
 24 A. I do.

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1 Q. Do you recall when you started back in  
 2 2011 at Walgreens whether or not anybody at the  
 3 company made you aware of this report from 2003?  
 4 A. I don't recall that.  
 5 Q. If you'd flip for me to -- up in the top  
 6 right-hand corner, as you turn the pages, there  
 7 will be dots kind of indicating the page number.  
 8 Turn to .2. Do you see that?  
 9 A. No, I don't. Oh, yeah. Up here?  
 10 Q. Yes.  
 11 A. Okay.  
 12 Q. Do you see here there is the section  
 13 that says "What GAO Found"?  
 14 A. No. I see it says "What GAO  
 15 Recommends," and then there is a section that says  
 16 "What GAO Found."  
 17 Q. Right. That's where I am.  
 18 First of all, you understand that back  
 19 in 2011 Walgreens, in addition to being a  
 20 pharmaceutical dispenser at their pharmacies, also  
 21 were a pharmaceutical distributor of these drugs to  
 22 themselves, correct?  
 23 A. No. I don't have any knowledge of that  
 24 role or responsibility for Walgreens in 2011. I

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1 was hired in the federal government relations team  
 2 and did not have exposure to that.  
 3 Q. Okay. You understand that OxyContin,  
 4 which we saw is the subject of this report, is a  
 5 drug that Walgreens dispenses at its pharmacies?  
 6 A. So, I've never seen this report before.  
 7 I have no idea what it says. So, I can't answer  
 8 that question.  
 9 Q. Well, it says "OxyContin" on the  
 10 first -- in the title of the report, correct?  
 11 A. Yeah, I see that part.  
 12 Q. Okay. My question is whether or not you  
 13 have an understanding that OxyContin is a drug that  
 14 Walgreens has dispensed from their pharmacies?  
 15 MR. SWANSON: Object to form.  
 16 BY THE WITNESS:  
 17 A. Ever?  
 18 BY MR. GADDY:  
 19 Q. Yeah.  
 20 A. I'm assuming that Walgreens -- I'm not a  
 21 pharmacist, right. I'm a lobbyist and I do policy  
 22 work. So, I'm not super-familiar with dispensing  
 23 requirements and which drugs are for what.  
 24 But I think if the -- if you're asking

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1 whether or not Walgreens at some point dispensed  
2 OxyContin, I believe the answer to that question is  
3 probably yes.  
4 Q. You say the answer to that question is  
5 probably yes. You are telling me as you sit here  
6 today you don't know whether or not Walgreens  
7 dispensed OxyContin?  
8 A. Well, your question is super-vague.  
9 Ever, yesterday, 6 years ago, 10, 15 years ago?  
10 I'm not familiar with the company's operations.  
11 Q. You asked "Ever" and I said sure, ever.  
12 A. So, the answer to the question would be  
13 yes.  
14 Q. Walgreens dispenses OxyContin currently,  
15 correct?  
16 A. I believe that's correct, yes.  
17 Q. Walgreens didn't decide to stop  
18 dispensing OxyContin because of anything going on  
19 with the opioid epidemic, did they?  
20 MR. SWANSON: Object to form.  
21 BY THE WITNESS:  
22 A. Yeah, so, I'm not a pharmacist. I work  
23 in the government relations area and we also do  
24 policy support.

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1 What I do know is in my experience on  
2 the government relations side of things, we are  
3 constantly trying to assess the balance between  
4 patients' needs as well as challenges that exist  
5 with different drugs and issues related to them.  
6 Q. Okay. I understand that. What I'm  
7 asking is whether or not Walgreens has made a  
8 decision to stop dispensing OxyContin. Do you know  
9 the answer to that?  
10 A. I don't know the answer to that. I  
11 don't believe we have made a decision to stop. I  
12 believe we've done a number of things related to  
13 good faith dispensing, patient awareness, a whole  
14 bunch of other things that we're doing in the  
15 pharmacy side that I -- would be better answered by  
16 folks on the operations team.  
17 Q. In the second paragraph that starts  
18 "Several factors." Do you see where I am?  
19 A. I do.  
20 Q. It says, "Several factors may have  
21 contributed to the abuse and diversion of  
22 OxyContin. The active ingredient in OxyContin is  
23 twice as potent as morphine, which may have made it  
24 an attractive target for misuse."

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1 Do you see that?  
2 A. I see the sentence you just referenced,  
3 yes.  
4 Q. Were you aware of that?  
5 A. No.  
6 Q. "Further," it says, "the original  
7 label's safety warning advising patients not to  
8 crush the tablets because of the possible rapid  
9 release of a potentially toxic amount of oxycodone  
10 may have inadvertently alerted abusers to methods  
11 for abuse." It says, "Moreover, the significant  
12 increase in OxyContin's availability in the  
13 marketplace may have increased opportunities to  
14 obtain the drug illicitly in some states."  
15 Did I read that correctly?  
16 A. That's what is on this page, yes.  
17 Q. Was this information that you were aware  
18 of prior to reading it just now?  
19 A. There's a lot of information here. Most  
20 of this information is not something that I have  
21 been exposed to based on my role at Walgreens.  
22 Q. If you don't mind, turn for me to  
23 page 7. It will be .7 at the top.  
24 A. Okay. .7.

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1 Q. Yeah. Do you see the paragraph in the  
2 middle of the page that starts, "In early 2000"?  
3 A. I do.  
4 Q. It says, "In early 2000, media reports  
5 began to surface in several states that OxyContin  
6 was being abused - that is, used for  
7 non-therapeutic purposes or for purposes other than  
8 those for which it was prescribed - and illegally  
9 diverted."  
10 Do you see that?  
11 A. I see what you just read, yes.  
12 Q. When you started at Walgreens as a  
13 federal lobbyist, did anybody make you available  
14 that going back to early 2000 media reports had  
15 began to surface that OxyContin was being abused?  
16 MR. SWANSON: Object to form; compound.  
17 BY THE WITNESS:  
18 A. I don't recall information like this  
19 being shared with me when I started at Walgreens.  
20 BY MR. GADDY:  
21 Q. It uses a term there "diverted," the  
22 last sentence of that sentence that we just read.  
23 Does that mean anything to you?  
24 A. Does what mean anything to me?

<p style="text-align: right;">Page 38</p> <p>1 Q. The term "diverted." Does that have any          2 particular meaning to you?          3 A. As a general word or in this sentence?          4 Q. In the context of prescription drugs,          5 specifically opioids?          6 A. I don't know if I understand your          7 question.          8 Q. Are you aware of the concept of          9 diversion?          10 A. I have read about and am familiar with          11 the -- a concept of diversion, yes.          12 Q. As it relates to prescription narcotics?          13 A. As it relates to I would say drugs.          14 More generally.          15 Q. What does it mean to you?          16 A. I'd have to think about that. So,          17 diversion to me I assume, I would -- I would say          18 means that something ended up in the wrong place.          19 It was diverted.          20 So, going -- I would go to the actual          21 definition of the word. Diversion means to not be          22 delivered to the place it was intended to,          23 something to that effect.          24 Q. And when we're talking about</p>	<p style="text-align: right;">Page 40</p> <p>1 president of government affairs for Walgreens, the          2 person who goes to D.C. and speaks with -- with          3 politicians or regulators on behalf of the company,          4 you don't have a concept of how doctor shopping          5 leads to diversion?          6 MR. SWANSON: Object to form.          7 BY THE WITNESS:          8 A. So, my title is actually vice president          9 of federal government relations and U.S. public          10 policy. I don't have responsibility for the whole          11 team.          12 And your question beyond that was? Was          13 what?          14 BY MR. GADDY:          15 Q. Was in that role you don't have an          16 understanding of how doctor shopping can lead to          17 diversion. Is that true or false?          18 A. I'm not familiar with the legal          19 ramifications of doctor shopping and how and why it          20 occurs and how diversion plays a role in that with          21 specifics, no. I'm not intimately familiar with          22 that.          23 Q. Okay. Let's keep reading. It says,          24 "According to FDA and the DEA, the abuse of</p>
<p style="text-align: right;">Page 39</p> <p>1 prescription opioids, that can happen through          2 concepts such as doctor shopping, correct?          3 MR. SWANSON: Object to form.          4 BY THE WITNESS:          5 A. I'm not familiar with doctor shopping          6 per se. Can you be -- I don't know if I understand          7 your question.          8 BY MR. GADDY:          9 Q. You have never heard of the concept of          10 doctor shopping?          11 A. I've heard of the concept of doctor          12 shopping, but I'm not sure what the question is.          13 Q. I'm asking whether or not doctor          14 shopping can lead to diversion of prescription          15 opioids?          16 MR. SWANSON: Object to form.          17 BY THE WITNESS:          18 A. So, I'm on the government relations          19 team, and we also perform policy support on behalf          20 of the company.          21 I don't have expertise in that area of          22 whether doctor shopping can lead to diversion.          23 BY MR. GADDY:          24 Q. Okay. So, in your role as the vice</p>	<p style="text-align: right;">Page 41</p> <p>1 OxyContin is associated with serious consequences,          2 including addiction, overdose and death."          3 Do you see that?          4 A. I do.          5 Q. It says, "When OxyContin was approved,          6 the Federal Government classified it as a          7 Schedule II controlled substance under the CSA          8 because it has a high potential for abuse and may          9 lead to severe psychological or physical          10 dependence."          11 Do you see that?          12 A. I do.          13 Q. When you started with Walgreens in 2011,          14 did anybody at the company make you aware that          15 OxyContin abuse is associated with addiction,          16 overdose and death?          17 A. I don't recall when I came to the          18 company in 2011 whether that information was shared          19 with me or not.          20 Q. At any point in time during your time          21 with Walgreens has anyone ever shared with you that          22 information about OxyContin?          23 A. I can't recall if anybody has ever          24 shared it with me. I can state that I've read that</p>

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1 before.  
2 Q. Okay. Is that something that you set  
3 out on your own and were able to do some  
4 independent research on and determine for yourself?  
5 A. It's something that I can recall reading  
6 either in a newspaper publication, a report, some  
7 type of analysis that's been done on different  
8 issues before, but I can't say specifically where I  
9 read it.  
10 Q. Okay. And approximately when did you  
11 gain that knowledge?  
12 A. At some point over probably the last few  
13 years, several years. I don't know if I can -- I  
14 can't say for sure.  
15 Q. It's not information that was given to  
16 you or provided to you by Walgreens?  
17 A. I don't --  
18 MR. SWANSON: Object to form.  
19 BY THE WITNESS:  
20 A. I don't believe so.  
21 BY MR. GADDY:  
22 Q. It goes on to say, "DEA has  
23 characterized the pharmacological effects of  
24 OxyContin and its active ingredient oxycodone as

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1 similar to those of heroin."  
2 Do you see that?  
3 A. I do.  
4 Q. Same question I've been asking.  
5 Did Walgreens when you started back in  
6 2011 make you aware that they were dispensing, that  
7 Walgreens was dispensing a drug in OxyContin that  
8 had effects similar to those of heroin?  
9 A. I don't recall anybody with Walgreens  
10 sharing that information when I joined the company  
11 in 2011.  
12 Q. Okay. Do you recall anybody at  
13 Walgreens ever sharing that information with you?  
14 A. I don't recall.  
15 Q. Turn, please, to page 14. Do you see  
16 the paragraph at the bottom of this page that  
17 starts "Media reports"?  
18 A. I do.  
19 Q. It says, "Media reports of OxyContin  
20 abuse and diversion began to surface in 2000.  
21 These reports first appeared in rural areas of some  
22 states, generally in the Appalachian region, and  
23 continued to spread to other rural areas and larger  
24 cities in several states."

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1 Do you see that?  
2 A. I see the sentence you just read, yes.  
3 Q. It goes on to say, "Rural communities in  
4 Maine, Kentucky, Ohio, Pennsylvania, Virginia and  
5 West Virginia were reportedly being devastated by  
6 the abuse and diversion of OxyContin."  
7 Did I read that correctly?  
8 A. Yes.  
9 Q. When you started with Walgreens in 2011,  
10 did anybody with the company tell you that going  
11 back to the early 2000s, that there were reports  
12 that these rural communities in places like Ohio  
13 and West Virginia were being devastated by abuse  
14 and diversion of OxyContin?  
15 MR. SWANSON: Object to form.  
16 BY THE WITNESS:  
17 A. I don't recall anyone with Walgreens  
18 sharing this information with me when I started in  
19 2011. They may have. I don't recall.  
20 BY MR. GADDY:  
21 Q. Has anybody -- do you recall anybody at  
22 Walgreens ever sharing with you that information  
23 that we just read right there, that rural  
24 communities in Ohio, West Virginia, Kentucky are

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1 being devastated by the abuse and diversion of  
2 OxyContin?  
3 MR. SWANSON: Object to form.  
4 BY THE WITNESS:  
5 A. I don't recall specifically anyone with  
6 Walgreens sharing that information, but it could  
7 have been shared with me on a different capacity or  
8 a different type of summary or in a different way.  
9 BY MR. GADDY:  
10 Q. And your job as a federal lobbyist is to  
11 share, I think what you said earlier, is to share  
12 information with -- with the men and women of  
13 Congress about issues that are important to  
14 Walgreens, correct?  
15 A. And their staffs, that's correct.  
16 Q. And their staffs. Okay.  
17 And throughout your time at Walgreens,  
18 nobody at the company has shared with you this  
19 information for you to pass on to the men and women  
20 of Congress and their staffs as it relates to your  
21 lobbying efforts on behalf of Walgreens, correct?  
22 MR. SWANSON: Object to form; mischaracterize.  
23 BY THE WITNESS:  
24 A. So, there is a lot of information here.

<p style="text-align: right;">Page 46</p> <p>1 This talks about OxyContin abuse. And, again, I've  2 never seen this before so I'm just reading it for  3 the first time.  4 This provides information dating back to  5 2000, and I'm not familiar with this information,  6 as I mentioned.  7 So, if your question is whether anybody  8 at Walgreens has shared information with me related  9 to some of these topics, the answer is yes. But I  10 can't say that anybody has specifically talked to  11 me about the information as it's presented in this  12 report.  13 Q. Okay. When was the first time that you  14 recall somebody at Walgreens talking to you about  15 the opioid epidemic and the impact that it's having  16 on communities in the United States?  17 A. I can recall having information shared  18 with me by folks at Walgreens over the last few  19 years.  20 Q. Okay. Few meaning two, three?  21 A. Three, five. Somewhere in there. I  22 don't know that I can say specifically. I would  23 say somewhere maybe in the three to four to five  24 range.</p>	<p style="text-align: right;">Page 48</p> <p>1 Commerce, House of Representatives, 107th Congress,  2 first session, August 28, 2001."  3 Do you see that?  4 A. I do.  5 Q. And from your experience as a federal  6 lobbyist for Walgreens, you're familiar with the  7 concept that Congress has committees and  8 subcommittees and that sometimes those committees  9 and subcommittees hold hearings and take testimony  10 from folks on certain issues?  11 A. Yes. I'm familiar with that concept.  12 Q. And do you see below the title there we  13 see that this is, and we saw it actually in the  14 title, but also see below there that the date of  15 this, of this document is 2001?  16 A. Yes. I see that.  17 Q. Do you recall when you started with  18 Walgreens in 2011 as a federal lobbyist whether or  19 not anybody at Walgreens directed you to this  20 testimony that was provided to Congress on the --  21 on "OxyContin: its use and abuse"?  22 A. I don't recall if that happened, no.  23 Q. At any time since you've been at  24 Walgreens, even over the past few years when you</p>
<p style="text-align: right;">Page 47</p> <p>1 Q. I show you what I will mark as Kaleta 2.  2 (WHEREUPON, a certain document was  3 marked as Walgreens-Kaleta Exhibit  4 No. 2: Congressional Report,  5 "OxyContin: Its use and abuse,"  6 etc., August 28, 2001; P-GEN-0047.)  7 BY MR. GADDY:  8 Q. Do you recognize this document?  9 You still got the first one in front of  10 you.  11 A. It looks to be -- the front page --  12 MR. SWANSON: It's the one you just gave him.  13 BY THE WITNESS:  14 A. It looks to be the same.  15 BY MR. GADDY:  16 Q. My fault. Sorry about that.  17 A. That's all right.  18 Q. All right. Let's try again.  19 Do you recognize this document?  20 A. I do not.  21 Q. And do you see the title there on the  22 first page says, "OxyContin: its abuse and abuse:  23 hearing before the Subcommittee on Oversight and  24 Investigations of the Committee on Energy and</p>	<p style="text-align: right;">Page 49</p> <p>1 say that you have received some information about  2 the opioids and the impacts that they're having on  3 communities, did anybody direct you back to this  4 Congressional testimony from 2001?  5 A. I don't believe so.  6 Q. Did you have the opportunity to find it  7 on your own through independent research or  8 articles or whatnot?  9 A. So, I don't know what's in here. I may  10 have read summaries of what's in here. But I don't  11 recall receiving this or seeking it on my own.  12 Q. Okay. If you would, turn to page 6 for  13 me, please. Upper right-hand corner there should  14 be some dash.  15 A. Uh-huh.  16 Q. And see that the top of the page says  17 "OxyContin: its use and abuse," and then has the  18 date, Tuesday, August 28, 2001.  19 Do you see that?  20 A. I do.  21 MR. SWANSON: Hang on.  22 THE WITNESS: Tuesday, August 28, 2001.  23 MR. GADDY: Upper right-hand corner, Brian,  24 there should be like a dash and then a number.</p>



<p style="text-align: right;">Page 50</p> <p>1 MR. SWANSON: Oh, okay. Thank you.</p> <p>2 BY MR. GADDY:</p> <p>3 Q. Do you see about halfway down the</p> <p>4 page there is a paragraph that starts "The use and</p> <p>5 abuse of OxyContin"?</p> <p>6 A. Yes, I see where that is.</p> <p>7 Q. And it says, "The use and abuse of</p> <p>8 OxyContin provides quite a dilemma for us in</p> <p>9 Congress and for the American public. For some,</p> <p>10 OxyContin is the angel of mercy; for others, it is</p> <p>11 the angel of death."</p> <p>12 Do you see that?</p> <p>13 A. I do. I see that sentence.</p> <p>14 Q. It says, "To those who suffer severe</p> <p>15 chronic pain, it brings welcome relief. But for</p> <p>16 those who abuse this highly addictive drug, it can</p> <p>17 bring even greater suffering."</p> <p>18 Do you see that?</p> <p>19 A. I do see that sentence, yes.</p> <p>20 Q. Goes on to say that "Today we will hear</p> <p>21 from law enforcement officials who argue that</p> <p>22 OxyContin is quickly becoming the abuser's drug of</p> <p>23 choice, surpassing heroin and cocaine in some</p> <p>24 jurisdictions."</p>	<p style="text-align: right;">Page 52</p> <p>1 choice, do you recall anybody at Walgreens making</p> <p>2 you aware of that so that you could have that</p> <p>3 information when you went to Capitol Hill and</p> <p>4 talked to Congressmen and women on behalf of issues</p> <p>5 that were important to Walgreens?</p> <p>6 MR. SWANSON: Object to form.</p> <p>7 BY THE WITNESS:</p> <p>8 A. So, is your question whether they shared</p> <p>9 this document with me?</p> <p>10 BY MR. GADDY:</p> <p>11 Q. Whether they shared this information</p> <p>12 with you in 2011 that OxyContin had been being used</p> <p>13 and abused going all the way back for ten years</p> <p>14 prior to you starting with the company?</p> <p>15 MR. SWANSON: Object to form.</p> <p>16 BY THE WITNESS:</p> <p>17 A. I don't recall when I started in 2011</p> <p>18 this specific information being shared with me; but</p> <p>19 as I've said in my testimony, I've had information</p> <p>20 shared with me over the last seven years, some of</p> <p>21 which is related to OxyContin.</p> <p>22 BY MR. GADDY:</p> <p>23 Q. I show you what I'll mark as Kaleta 3.</p> <p>24 P-WAG-1845.</p>
<p style="text-align: right;">Page 51</p> <p>1 Do you see that?</p> <p>2 A. I do see that sentence, yes.</p> <p>3 Q. Prior to coming here to testify today,</p> <p>4 did you have an understanding that going all the</p> <p>5 way back to 2001 that the use and abuse of opioids</p> <p>6 such as OxyContin were surpassing heroin and</p> <p>7 cocaine as drugs of choice among folks in this</p> <p>8 country?</p> <p>9 MR. SWANSON: Object to form.</p> <p>10 BY THE WITNESS:</p> <p>11 A. I can't recall that I knew that going</p> <p>12 back to 2001. I'm obviously aware that OxyContin</p> <p>13 is a -- is an addictive substance.</p> <p>14 BY MR. GADDY:</p> <p>15 Q. And this is a full decade before you</p> <p>16 started with Walgreens, correct?</p> <p>17 A. This document you mean?</p> <p>18 Q. Correct.</p> <p>19 A. Yes. This would have been roughly ten</p> <p>20 years before I started at Walgreens, that's</p> <p>21 correct.</p> <p>22 Q. And when you started at Walgreens ten</p> <p>23 years after this testimony is being provided to</p> <p>24 Congress about OxyContin being the abuser's drug of</p>	<p style="text-align: right;">Page 53</p> <p>1 (WHEREUPON, a certain document was</p> <p>2 marked as Walgreens-Kaleta Exhibit</p> <p>3 No. 3: 6/7/17 e-mail string;</p> <p>4 WAGMDL00038786 - 00038791.)</p> <p>5 BY MR. GADDY:</p> <p>6 Q. I will represent to you this is an</p> <p>7 e-mail chain. If you would, turn for me to page --</p> <p>8 if you look down at the -- at the bottom of the</p> <p>9 page, the Bates number for where I'm going to start</p> <p>10 is 38790.</p> <p>11 MR. SHAPLAND: Could you read the full Bates</p> <p>12 number, please.</p> <p>13 MR. GADDY: That's it 39790.</p> <p>14 MR. SHAPLAND: There is no prefix?</p> <p>15 MR. GADDY: These are all going to be</p> <p>16 Walgreens MDL documents.</p> <p>17 MR. SHAPLAND: That's helpful to let me know</p> <p>18 that. Thank you.</p> <p>19 (Clarification requested by the</p> <p>20 reporter.)</p> <p>21 MR. SHAPLAND: This is Eric Shapland.</p> <p>22 BY MR. GADDY:</p> <p>23 Q. Are you with me?</p> <p>24 A. Yeah, I'm on page 38790.</p>

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1 Q. And do you see it starts out with the  
2 e-mail from Lauren Stone to you at the bottom of  
3 the page?  
4 A. Yes.  
5 Q. And the subject of this e-mail is  
6 "Opioid addiction ages."  
7 Do you see that?  
8 A. I do see that.  
9 Q. This is an e-mail from it looks like  
10 about a year and a half ago, June of last year,  
11 correct?  
12 A. That's correct.  
13 Q. And she says, "Hi Ed, I am hoping you  
14 can provide me with some information on what age  
15 people are likely to start abusing prescription  
16 drugs. We are now looking at how our partnership  
17 with WE develops over this next year and we are  
18 moving in the direction of opioid abuse prevention  
19 and education. The audience for the WE activities  
20 is about 11 to 16 years old."  
21 Do you see that?  
22 A. I do.  
23 MR. SWANSON: Objection. You just misread it.  
24 That's on you.

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1 MR. GADDY: What did I miss?  
2 MR. SWANSON: You missed "considering," among  
3 other things.  
4 MR. GADDY: Okay.  
5 BY MR. GADDY:  
6 Q. Do you see the words written there?  
7 A. Which ones?  
8 Q. The words that we just -- that we just  
9 went over.  
10 A. I mean, you've just read portions of the  
11 first three sentences, yes.  
12 Q. Okay. And is this something that would  
13 happen from time to time in your role, that you  
14 would get requests for information from other folks  
15 within the company?  
16 A. Yes. That's something that happens in  
17 my role. I get requests from others in my company  
18 for information.  
19 Q. And if you turn back two pages, Bates  
20 No. is 38788, do you see you get a response to this  
21 request ultimately comes from Steven Gregory.  
22 Do you see that?  
23 A. Yes. I see Steven Gregory's response to  
24 Linn here.

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1 Q. Okay. And you're copied on this e-mail  
2 as well, correct?  
3 A. Yes.  
4 Q. He says, "Hi Linn, below are stats on  
5 adolescents aged 12 through 7."  
6 This is in response to her question  
7 about adolescents misusing opioids, correct?  
8 A. It says 12 to 17.  
9 Q. 17. Thank you.  
10 This is in response to her request about  
11 adolescents misusing opioids?  
12 A. This was in response to her request on  
13 opioid addiction ages.  
14 Q. Okay. Who is Steven Gregory?  
15 A. Steven Gregory is the senior director of  
16 the -- and head of public policy.  
17 Q. Is he somebody that you work with to  
18 help you do your job as a federal lobbyist for  
19 Walgreens?  
20 A. So, I have two roles. I'm the head of  
21 federal government relations and I'm the head of  
22 U.S. public policy. Steven reports to me as head  
23 of public policy.  
24 Q. And the stats that Steven provided here

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1 is that "In 2015, 276,000 adolescents were current  
2 non-medical users of pain reliever with 122,000  
3 having an addiction to prescription pain  
4 relievers."  
5 Do you see that?  
6 A. Yes, I see that sentence.  
7 Q. Second -- second bullet point states  
8 that "In 2015, an estimated 21,000 adolescents had  
9 used heroin in the past year, and an estimated  
10 5,000 were current heroin users."  
11 Do you see that?  
12 A. I see that sentence.  
13 Q. It goes on to say, "Additionally, an  
14 estimated 6,000 adolescents had" -- I think what he  
15 is trying to say "had a heroin use disorder in  
16 2014."  
17 Do you see that?  
18 A. I do.  
19 Q. Goes on to say that "People often share  
20 their unused pain relievers, unaware of the dangers  
21 of non-medical opioid use. Most adolescents who  
22 misuse prescription pain relievers are given them  
23 for free by a friend or relative."  
24 Do you see that?

<p style="text-align: right;">Page 58</p> <p>1 A. I do.</p> <p>2 Q. Final bullet point indicates, "The</p> <p>3 prescribing rates for prescription opioids among</p> <p>4 adolescents and young adults nearly doubled from</p> <p>5 1994 to 2007."</p> <p>6 Do you see that?</p> <p>7 A. I do.</p> <p>8 Q. That last bullet point about the</p> <p>9 prescription rates for adolescents doubling, that</p> <p>10 happened before you even started with the company,</p> <p>11 correct?</p> <p>12 A. Yes. I believe that's right, according</p> <p>13 to -- assuming that that bullet point is accurate,</p> <p>14 yes.</p> <p>15 Q. Do you have any reason to believe that</p> <p>16 it's not?</p> <p>17 A. So, I didn't do this research obviously.</p> <p>18 Steven on my team did. I don't have any reason to</p> <p>19 believe it's not accurate.</p> <p>20 Q. I think he says right there below it,</p> <p>21 "This information is sourced from the American</p> <p>22 Society of Addiction Medicine 2016 Facts and</p> <p>23 Figures."</p> <p>24 Do you see that?</p>	<p style="text-align: right;">Page 60</p> <p>1 doubled from '94 to 2007?</p> <p>2 MR. SWANSON: Object to form.</p> <p>3 BY THE WITNESS:</p> <p>4 A. When I started in 2011, I don't recall</p> <p>5 anybody sharing that specific information. What I</p> <p>6 do recall as it relates to prescribing rates is</p> <p>7 information that was shared to me about how doctors</p> <p>8 prescription or prescribing rates had increased</p> <p>9 significantly. So, I recall that information being</p> <p>10 shared.</p> <p>11 BY MR. GADDY:</p> <p>12 Q. You recall somebody back in 2011 sitting</p> <p>13 down and talking to you about doctor prescribing</p> <p>14 rates when you started with Walgreens?</p> <p>15 A. No, not -- I can't pinpoint in 2011.</p> <p>16 But I can say probably similar to the timeline I</p> <p>17 referenced before, three, four, five years, I can</p> <p>18 recall people sharing information with me around</p> <p>19 that.</p> <p>20 Q. Are you familiar with the fact that --</p> <p>21 let me ask you this way.</p> <p>22 Do you agree or disagree that Walgreens</p> <p>23 itself would have had its own information about the</p> <p>24 number of opioids that they had prescribed or</p>
<p style="text-align: right;">Page 59</p> <p>1 A. I do.</p> <p>2 Q. And, again, you have no reason to doubt</p> <p>3 the information?</p> <p>4 A. I don't, but I've not read the American</p> <p>5 Society of Addiction Medicine 2016 Facts and</p> <p>6 Figures.</p> <p>7 Q. When you started with Walgreens in 2011,</p> <p>8 do you recall anybody at the company coming to you</p> <p>9 and telling you that one issue that was important</p> <p>10 to them was the fact that adolescents had had the</p> <p>11 prescribing rate for opioids double from '94 to</p> <p>12 2007?</p> <p>13 MR. SWANSON: Object to form.</p> <p>14 BY THE WITNESS:</p> <p>15 A. I don't recall that. I do recall a</p> <p>16 great deal of discussion around doctors</p> <p>17 overprescribing.</p> <p>18 BY MR. GADDY:</p> <p>19 Q. Okay. My question was whether or not</p> <p>20 when you started in 2011, did anybody at Walgreens</p> <p>21 come to you and tell you that an issue that would</p> <p>22 be important to Walgreens and therefore one that</p> <p>23 they want you to inform individuals about in D.C.</p> <p>24 was that prescription rates for adolescents had</p>	<p style="text-align: right;">Page 61</p> <p>1 dispensed I should say to adolescents during that</p> <p>2 time frame?</p> <p>3 MR. SWANSON: Object to form.</p> <p>4 BY THE WITNESS:</p> <p>5 A. So, as I mentioned before, I'm on the</p> <p>6 government relations team. I'm not familiar with</p> <p>7 what type of information we have specific. I would</p> <p>8 assume we have prescribing rates, but I can't speak</p> <p>9 to how that's broken out or anything related to it.</p> <p>10 BY MR. GADDY:</p> <p>11 Q. Would you expect that Walgreens would</p> <p>12 have the information about the rates of Walgreens</p> <p>13 dispensing opioids to adolescents over time?</p> <p>14 A. I don't know the answer to that</p> <p>15 question.</p> <p>16 Q. Would you expect a company like</p> <p>17 Walgreens to have that type of information about</p> <p>18 their patients?</p> <p>19 MR. SWANSON: Object to form, calls for</p> <p>20 speculation.</p> <p>21 BY THE WITNESS:</p> <p>22 A. Yes, I -- I don't know what the HIPAA</p> <p>23 rules are around adolescents and prescription</p> <p>24 rates. I just don't -- I don't have that, that</p>

<p style="text-align: right;">Page 62</p> <p>1 expertise.</p> <p>2 BY MR. GADDY:</p> <p>3 Q. Would it be fair to say that over the</p> <p>4 last year or two that a lot of your -- that some of</p> <p>5 your time and attention has been focused on issues</p> <p>6 related to the opioid crisis?</p> <p>7 A. I've spent a lot of time in my capacity</p> <p>8 both as a lobbyist as well as with the public</p> <p>9 policy team on a host of issues, some of them</p> <p>10 relate to our Safe Medication Disposal Program,</p> <p>11 some of them related to the Electronic Prescribing</p> <p>12 Act that was part of the CARA bill.</p> <p>13 That's how I have spent -- that's --</p> <p>14 those are examples of how I spent my time.</p> <p>15 Q. Okay. And we are going to talk about</p> <p>16 the -- the drug take-back program a little bit.</p> <p>17 That started rolling out in 2016, correct?</p> <p>18 A. Yes, I believe that's correct.</p> <p>19 Q. I'm going to show you what I'm going to</p> <p>20 mark as Kaleta 4.</p> <p>21 (WHEREUPON, a certain document was</p> <p>22 marked as Walgreens-Kaleta Exhibit</p> <p>23 No. 4: 11/2/16 e-mail with</p> <p>24 attachment; WAGMDL00375070 -</p>	<p style="text-align: right;">Page 64</p> <p>1 A. It appears so, yes.</p> <p>2 Q. Okay. And so you could see this is an</p> <p>3 e-mail from a Walgreens employee to an Actavis</p> <p>4 employee?</p> <p>5 A. It appears this is from Matt Pike at</p> <p>6 Walgreens to Marc Falkin at Actavis, yes.</p> <p>7 Q. And what Matt says here is "Marc, as you</p> <p>8 may know, Walgreens is leading the fight against</p> <p>9 prescription drug abuse with new programs to help</p> <p>10 curb misuse of medications and the rise in overdose</p> <p>11 deaths and it says see the attached pdf and link."</p> <p>12 It goes on to say, "To that end, our</p> <p>13 government relations group is asking my team's</p> <p>14 assistance in connecting them with the government</p> <p>15 relations groups from the largest manufacturers to</p> <p>16 engage them in this effort."</p> <p>17 Do you see that?</p> <p>18 A. I do.</p> <p>19 Q. And even though --</p> <p>20 MR. YINGLING: I'm sorry. For the people on</p> <p>21 the phone can you give the Bates number.</p> <p>22 MR. GADDY: 375070.</p> <p>23 BY MR. GADDY:</p> <p>24 Q. Even though you may not remember this</p>
<p style="text-align: right;">Page 63</p> <p>1 00375071.)</p> <p>2 BY MR. GADDY:</p> <p>3 Q. And this document I'll represent to you</p> <p>4 is a one-page document with an attachment on it,</p> <p>5 and do you see this is an e-mail from November of</p> <p>6 2016?</p> <p>7 A. 11/2/16, yes.</p> <p>8 Q. Okay. And the subject of the e-mail is</p> <p>9 "Drug Take-Back Program"?</p> <p>10 A. Yes. That's correct.</p> <p>11 Q. And it looks like you as well as several</p> <p>12 other folks were copied on this e-mail.</p> <p>13 Do you see that?</p> <p>14 A. Yes, I'm copied on this e-mail. I'm</p> <p>15 not -- I don't recall this e-mail and I don't</p> <p>16 recall who Matt Pike is and I don't know who Marc</p> <p>17 Falkin is.</p> <p>18 Q. Okay.</p> <p>19 A. But I do see that my name -- that I'm</p> <p>20 copied on this e-mail.</p> <p>21 Q. Okay. Well, you could see from Marc</p> <p>22 Falkin, you can see from his e-mail address, he is</p> <p>23 not with Walgreens. He is actually from Actavis,</p> <p>24 correct?</p>	<p style="text-align: right;">Page 65</p> <p>1 specific e-mail, this concept of reaching out to</p> <p>2 government relations groups with other -- whether</p> <p>3 it's manufacturers or PBMs or distributors, is not</p> <p>4 foreign to you, is it?</p> <p>5 A. As part of our Safe Medication Disposal</p> <p>6 effort that I was involved with, we did reach out</p> <p>7 to other entities in the supply chain, yes.</p> <p>8 Q. Okay. And we saw there in the body it</p> <p>9 referenced an attachment. If you turn to the next</p> <p>10 page for me, please.</p> <p>11 A. Yes.</p> <p>12 Q. And do you recognize this document?</p> <p>13 A. I do.</p> <p>14 Q. And is this document here -- it's got --</p> <p>15 it says "Walgreens" up in the top left-hand portion</p> <p>16 of the page. This is a Walgreens document?</p> <p>17 A. Yes.</p> <p>18 Q. And the title is "Leading the Fight to</p> <p>19 Prevent Drug Diversion and Drug Abuse."</p> <p>20 Do you see that?</p> <p>21 A. I do.</p> <p>22 Q. And this was a document that Walgreens</p> <p>23 would disseminate to other -- either to the public</p> <p>24 or to other entities that stated Walgreens'</p>

<p style="text-align: right;">Page 66</p> <p>1 position as it relates to these issues, correct?</p> <p>2 A. Can you repeat the question.</p> <p>3 Q. Sure. This is a document that Walgreens</p> <p>4 would distribute to the public or to other</p> <p>5 stakeholders, manufacturers, PBMs, distributors,</p> <p>6 stating Walgreens' position and informing them of</p> <p>7 Walgreens' efforts in this area, correct?</p> <p>8 A. I would say informing them of Walgreens'</p> <p>9 efforts in this area. I'm not sure that this gets</p> <p>10 to positions per se.</p> <p>11 Q. Okay. Let's see in the first -- in the</p> <p>12 body there right under the title it says, "Drug</p> <p>13 abuse continues to be a public health and safety</p> <p>14 risk."</p> <p>15 Do you see that?</p> <p>16 A. I do.</p> <p>17 Q. It says, "The National Survey on Drug</p> <p>18 Use and Health estimate 6.5 million Americans</p> <p>19 misused a prescription drug in 2014, while the</p> <p>20 Centers for Disease Control and prevention reported</p> <p>21 nearly 50,000 prescription and illicit drug</p> <p>22 overdose deaths in the same year - a 140% increase</p> <p>23 since 2000."</p> <p>24 Do you see that?</p>	<p style="text-align: right;">Page 68</p> <p>1 I believe that is factual information.</p> <p>2 It probably was provided to us from the CDC, as</p> <p>3 referenced in the sentence before that.</p> <p>4 Q. Okay. That wasn't a secret to people at</p> <p>5 Walgreens, that individuals go from using and</p> <p>6 abusing prescription drugs such as opioids to using</p> <p>7 and abusing illicit drugs like heroin?</p> <p>8 MR. SWANSON: Object to form, vague as to</p> <p>9 time.</p> <p>10 BY THE WITNESS:</p> <p>11 A. There are people at Walgreens that are</p> <p>12 familiar with that information. Some. Not all.</p> <p>13 You're saying was it a secret to people at</p> <p>14 Walgreens? I would answer by saying there are</p> <p>15 people at Walgreens that are aware of this</p> <p>16 information as presented in this fact sheet.</p> <p>17 BY MR. GADDY:</p> <p>18 Q. You're aware of that information,</p> <p>19 correct, that people --</p> <p>20 A. Yes. This was created by my team.</p> <p>21 Q. Okay. And so you, Ed Kaleta, head of --</p> <p>22 VP of governmental affairs and public policy,</p> <p>23 you're aware of the fact that individuals who use</p> <p>24 and misuse prescription opioids will often graduate</p>
<p style="text-align: right;">Page 67</p> <p>1 A. I do.</p> <p>2 Q. It goes on to say, "Most people who</p> <p>3 misuse prescription drugs first obtain them from a</p> <p>4 family member or friend, often from a home medicine</p> <p>5 cabinet, and can eventually graduate to using</p> <p>6 illicit drugs such as heroin."</p> <p>7 Do you see that?</p> <p>8 A. I do.</p> <p>9 Q. And that was not a surprise or that was</p> <p>10 not new information to Walgreens, was it, that</p> <p>11 people will commonly migrate from using and abusing</p> <p>12 prescription drugs to using and abusing heroin?</p> <p>13 MR. SWANSON: Object to form, vague.</p> <p>14 BY THE WITNESS:</p> <p>15 A. I don't understand your question.</p> <p>16 BY MR. GADDY:</p> <p>17 Q. From your work at Walgreens, you</p> <p>18 understand that to be something that Walgreens and</p> <p>19 the people of Walgreens were aware of?</p> <p>20 A. This sentence says, "Most people who</p> <p>21 misuse prescription drugs first obtain them from a</p> <p>22 family member or friend, often from a home medicine</p> <p>23 cabinet and can eventually graduate to using</p> <p>24 illicit drugs such as heroin."</p>	<p style="text-align: right;">Page 69</p> <p>1 to using and misusing heroin?</p> <p>2 A. You keep trying to promote me, which I</p> <p>3 appreciate. But I am only the VP of federal</p> <p>4 government relations and U.S. public policy, so I</p> <p>5 don't have responsibility for the whole team.</p> <p>6 But, yes, per this document I'm familiar</p> <p>7 with this fact, that's correct.</p> <p>8 Q. The document goes on to say, "Our</p> <p>9 Commitment." And then you highlight two programs</p> <p>10 that we'll talk about in a little bit more detail</p> <p>11 moving forward.</p> <p>12 First you talk about the "Safe Drug</p> <p>13 Disposal." That's the drug take-back program that</p> <p>14 you worked on?</p> <p>15 A. Safe Medication Disposal, yes.</p> <p>16 Q. And the second one says, "Increasing</p> <p>17 Access to Naloxone." That's what's commonly</p> <p>18 referred to as Narcan?</p> <p>19 A. This is another program that the company</p> <p>20 overall spent time on. I spent more time on safe</p> <p>21 medication drug disposal than I did on increasing</p> <p>22 access to Naloxone. Increasing access to Naloxone</p> <p>23 is largely a state issue.</p> <p>24 Q. Who would be the head of your -- of the</p>



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1 state lobbying program?

2 A. Casey Cesnovar is the vice president of

3 state and local government relations.

4 MR. SWANSON: Counsel, if you are finishing

5 this document, we have been going about an hour.

6 MR. GADDY: Sure.

7 MR. SWANSON: The witness has a cold. Can we

8 take a short break?

9 MR. GADDY: Absolutely. Whenever you want to.

10 THE WITNESS: Great. Thanks.

11 THE VIDEOGRAPHER: We are off the record at

12 9:13 a.m.

13 (WHEREUPON, a recess was had

14 from 9:13 to 9:28 a.m.)

15 THE VIDEOGRAPHER: We are back on the record

16 at 9:29 a.m.

17 BY MR. GADDY:

18 Q. Mr. Kaleta, I'm going to hand you what

19 I've marked as Kaleta 5.

20 (WHEREUPON, a certain document was

21 marked as Walgreens-Kaleta Exhibit

22 No. 5: 3/30/16 e-mail string;

23 WAGMDL00377962 - 00377967.)

24 BY MR. GADDY:

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1 Q. It's P-WAG-1822, Bates No. 377962.

2 Do you recognize this as an e-mail, just

3 on the first page, from Michael Polzin to a number

4 of people including you and Mr. Cesnovar?

5 A. Okay. I'm sorry. What was your

6 question?

7 Q. Do you see this is an e-mail from a

8 Michael Polzin to a number of people including you?

9 A. Yes.

10 Q. And the subject of the e-mail was "Safe

11 disposal joint op-ed"?

12 A. Yes.

13 Q. In your public policy role, is putting

14 together op-eds that you would seek to have

15 published or Walgreens would seek to have

16 published, would that be something that you would

17 do from time to time?

18 A. We would work with our media relations

19 and communications team. The -- those types of

20 pieces would generally generate through that side

21 of the company. But obviously since it was a

22 program that we were involved with, then we would

23 have opportunities to edit and look over materials

24 before they were final.

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1 Q. And some of the other folks that

2 received this e-mail, there is a David Seldin from

3 the Brunswick Group.

4 Do you see that?

5 A. I do.

6 Q. Is that an individual with one of these

7 outside consulting agencies that you all bring on

8 to help you with lobbying or public policy type

9 issues?

10 A. No.

11 Q. Who is he and what does he do?

12 A. So, Walgreens I believe retained the

13 Brunswick Group. That's not -- that was not part

14 of my budget area.

15 Q. Okay. Also Phil Caruso is on the "To"

16 line here. Who is that?

17 A. He is in the media -- he is part of

18 Walgreens media relations team.

19 Q. The body of the e-mail says, "I think

20 this is in good shape. I just made a few small

21 edits in the attached version. Ed and Casey, let

22 me know if you're okay with it and then I can

23 circulate it internally for approvals."

24 Do you see that?

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1 A. Yes.

2 Q. If you turn the few pages towards the

3 back of the document, you actually see the draft

4 op-ed that looks like it was drafted by Brunswick?

5 A. Yes.

6 THE VIDEOGRAPHER: Mr. Kaleta, your mike

7 slipped down a bit.

8 BY THE WITNESS:

9 A. Okay.

10 BY MR. GADDY:

11 Q. Do you see the second paragraph that

12 starts "Prescription drug"?

13 A. Yes.

14 Q. It says, "Prescription drug abuse is a

15 public health epidemic."

16 Do you see that?

17 A. I do.

18 Q. When we started this deposition, I asked

19 you the question and you did not -- you would not

20 call it a public health epidemic. Do you see here

21 that Walgreens in this joint op-ed is calling

22 prescription drug abuse a public health epidemic?

23 MR. SWANSON: Object to form, mischaracterizes

24 testimony.

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1 BY THE WITNESS:  
 2 A. You referred to the opioid epidemic, and  
 3 this says prescription drug abuse is a public  
 4 health epidemic. Those are two different.  
 5 BY MR. GADDY:  
 6 Q. Okay. So, you would agree there is a  
 7 prescription drug abuse epidemic but not an opioid  
 8 epidemic within the country. Is that your  
 9 position?  
 10 A. No. I'm not familiar with the vague  
 11 term of the "opioid epidemic." I am familiar with  
 12 the term of "prescription drug abuse," and that's  
 13 something that I've spent time on at Walgreens  
 14 trying to address.  
 15 Q. And you agree that a significant portion  
 16 of the prescription drugs that are abused are  
 17 opioids?  
 18 A. I don't know what the numbers are, but I  
 19 don't believe that -- I don't know what the --  
 20 "significant portion" is a very vague  
 21 generalization. I don't know if that means a half,  
 22 more than half.  
 23 Q. Would you characterize opioid abuse as a  
 24 significant portion of prescription drug abuse?

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1 A. I'm not familiar with percentages of  
 2 which drugs are prescribed how often. So I can't  
 3 answer your question.  
 4 Q. So, you don't know whether or not  
 5 opioid -- opioids are a significant portion of the  
 6 prescription drugs that are abused in the country?  
 7 MR. SWANSON: Object to form, vague.  
 8 BY THE WITNESS:  
 9 A. Again, you're using -- you're using  
 10 pretty vague terms. So, I can't answer a question  
 11 about whether it's a significant. I don't know  
 12 what the term "significant" is supposed to  
 13 connote.  
 14 BY MR. GADDY:  
 15 Q. It goes on to say, "More than half of  
 16 the approximately 46,000 drug-related deaths in the  
 17 United States each year are from heroin and  
 18 prescription opioids."  
 19 Do you see that?  
 20 A. I do.  
 21 Q. Does that sound like a significant  
 22 portion of the drug-related deaths coming from  
 23 heroin and prescription opioids?  
 24 MR. SWANSON: Object to form.

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1 BY THE WITNESS:  
 2 A. What it sounds like is more than half of  
 3 the approximately 46,000. It doesn't use the term  
 4 "significant," which is why I still don't  
 5 understand why you're using that word. I'm not  
 6 familiar -- there is no number attached to  
 7 "significant."  
 8 This does say that more than half of the  
 9 approximately 46,000 drug-related deaths each year  
 10 are from heroin and prescription opioids, and it  
 11 references the DEA. So, I'm assuming that the DEA  
 12 numbers are correct on that.  
 13 BY MR. GADDY:  
 14 Q. The DEA is what you would consider a  
 15 trustworthy source when it comes to information  
 16 about controlled substances?  
 17 MR. SWANSON: Object to form.  
 18 BY THE WITNESS:  
 19 A. Yeah, so, I'm not -- I think there is  
 20 certain things that the DEA is considered an  
 21 authority on and an expert and other things not.  
 22 But I don't have -- I can't say definitively that  
 23 everything that they put out is 100 percent  
 24 accurate. As a matter of fact, I'm familiar with

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1 things that the DEA has put out and put on their  
 2 web site that's not accurate. So...  
 3 BY MR. GADDY:  
 4 Q. My question was whether or not you  
 5 consider the DEA a trustworthy source as it relates  
 6 to information about controlled substances?  
 7 A. I think it depends on the information.  
 8 Q. It goes on to say, "The prescription and  
 9 illicit drugs now kill 40% more people than car  
 10 crashes. In fact, deaths from heroin and opioids  
 11 have doubled and tripled, respectively, since  
 12 1999."  
 13 Do you see that?  
 14 A. I do.  
 15 Q. If you go down to the next paragraph, it  
 16 says, "A crucial element in combating this  
 17 epidemic, and drug abuse generally, is curbing  
 18 'drug diversion,' or in other words, the transfer  
 19 of a controlled substance from the prescription  
 20 holder to another individual for illicit use.  
 21 Diversion can take many forms. It often results  
 22 from the seemingly benign habit of leaving old  
 23 prescriptions in the medicine cabinet too long."  
 24 Do you see that?

<p style="text-align: right;">Page 78</p> <p>1 A. I do see that sentence, yes.</p> <p>2 Q. And is that consistent with your</p> <p>3 understanding in your role with Walgreens of some</p> <p>4 of the ways that drug diversion can happen?</p> <p>5 A. In other words -- so, the last sentence</p> <p>6 says, "It often results from the seemingly benign</p> <p>7 habit of leaving old prescriptions in the medicine</p> <p>8 cabinet too long."</p> <p>9 Yes, I am familiar that that is a form</p> <p>10 of diversion and that that is in fact a big problem</p> <p>11 that the country has been facing, which is part of</p> <p>12 the reason that we took up the Safe Medication</p> <p>13 Disposal Program.</p> <p>14 Q. Goes on to say in the next paragraph,</p> <p>15 "Consider that four out of five new heroin users</p> <p>16 began abusing substances with prescription</p> <p>17 medications."</p> <p>18 Do you see that?</p> <p>19 A. I do.</p> <p>20 Q. Is that consistent with your</p> <p>21 understanding that four out of five new heroin</p> <p>22 users began using prescription medications?</p> <p>23 A. I read the sentence. This is -- this</p> <p>24 paragraph cites a number of different statistics</p>	<p style="text-align: right;">Page 80</p> <p>1 Q. Would you agree that that number of</p> <p>2 individuals misusing prescription drugs and that</p> <p>3 number of people dying from overdose of drugs is</p> <p>4 crisis level?</p> <p>5 A. I don't know what your measure is of</p> <p>6 crisis. I would say that any number --</p> <p>7 Q. I'm asking for your definition.</p> <p>8 A. My definition is any overdose deaths are</p> <p>9 too many. That would be my definition.</p> <p>10 Q. So, you would agree this would be crisis</p> <p>11 level?</p> <p>12 A. I -- again, you're picking out vague</p> <p>13 terms like "crisis" and the one you were using</p> <p>14 earlier. Any number of drug overdose deaths are</p> <p>15 too many.</p> <p>16 Q. Would you call it a crisis?</p> <p>17 A. Would I call what a crisis?</p> <p>18 Q. This number of people overdosing and</p> <p>19 dying from prescription drugs.</p> <p>20 A. I would call this too many. That's what</p> <p>21 I would call it.</p> <p>22 Q. You wouldn't call it a crisis?</p> <p>23 A. I think there is all kinds of different</p> <p>24 crises. Any drug overdose deaths are too many.</p>
<p style="text-align: right;">Page 79</p> <p>1 and they're apparently referencing more DEA</p> <p>2 numbers. So, I'm not familiar with this particular</p> <p>3 data.</p> <p>4 Q. Is that sentence, though, consistent</p> <p>5 with your understanding?</p> <p>6 A. I'm not an expert on that level of</p> <p>7 specificity on different types of drugs.</p> <p>8 Q. Regardless of your understanding, this</p> <p>9 is a sentence that Walgreens was inputting into a</p> <p>10 joint op-ed that they were going to seek have</p> <p>11 published it looks like with the DEA?</p> <p>12 MR. SWANSON: Object to form.</p> <p>13 BY THE WITNESS:</p> <p>14 A. So, this is a sentence that is in this</p> <p>15 draft op-ed, that is correct.</p> <p>16 BY MR. GADDY:</p> <p>17 Q. Goes on to say that "According to the</p> <p>18 2014 National Survey on Drug Use and Health, an</p> <p>19 estimated 6-1/2 million Americans misused a</p> <p>20 prescription drug in 2014, and the CDC and</p> <p>21 Prevention reported a total of 47,055 drug overdose</p> <p>22 deaths."</p> <p>23 Do you see that?</p> <p>24 A. I do.</p>	<p style="text-align: right;">Page 81</p> <p>1 Q. How many deaths would there have to be</p> <p>2 for you to call it a crisis?</p> <p>3 MR. SWANSON: Object to form.</p> <p>4 BY THE WITNESS:</p> <p>5 A. I'm not an expert in statistics, and I'm</p> <p>6 not an expert in most of the numbers mentioned in</p> <p>7 this paragraph. So, I could speak to my personal</p> <p>8 knowledge, which is --</p> <p>9 BY MR. GADDY:</p> <p>10 Q. And that's all I'm asking for is</p> <p>11 Ed Kaleta's personal opinion. How many people</p> <p>12 have to die --</p> <p>13 A. My personal opinion --</p> <p>14 Q. -- before you would call it a crisis?</p> <p>15 MR. SWANSON: Object.</p> <p>16 (Clarification requested by the</p> <p>17 reporter.)</p> <p>18 MR. SWANSON: Stop interrupting the witness.</p> <p>19 Ask your question. And you can answer it again if</p> <p>20 you feel it appropriate to change your answer.</p> <p>21 BY MR. GADDY:</p> <p>22 Q. Go ahead.</p> <p>23 A. The question.</p> <p>24 Q. How many people have to die from</p>

<p style="text-align: right;">Page 82</p> <p>1 prescription drug overdoses before Ed Kaleta calls  2 it a crisis?  3 A. So, Ed Kaleta is not an expert on what  4 defines a crisis related to this or any number of  5 other things.  6 Ed Kaleta does believe that one drug  7 overdose death is too many, which is why I've spent  8 a lot of time at Walgreens working on our Safe  9 Medication Disposal.  10 Q. Do you not want to use the word "crisis"  11 or "epidemic"? Is there a reason you don't want to  12 answer that question?  13 A. No.  14 MR. SWANSON: Object to form. It's a  15 different question.  16 BY MR. GADDY:  17 Q. How many people have to die from drug  18 overdoses, prescription drug overdoses before  19 Ed Kaleta would call it an epidemic?  20 MR. SWANSON: Object to form.  21 BY THE WITNESS:  22 A. Again, I -- I have a political science  23 degree. I didn't do well in statistics when I took  24 poli sci in college, so I don't know what the</p>	<p style="text-align: right;">Page 84</p> <p>1 was wondering if you have anything that recaps our  2 current positions for pharmacy and retail. In  3 addition, anything specific by state would be  4 helpful."  5 Do you see that?  6 A. I do.  7 Q. And if we get back up to the first page,  8 the very first chain, while there is some traffic  9 in the middle, we see your ultimate response,  10 correct?  11 A. Yes.  12 Q. You have a bullet list of what you have  13 attached, and then it says, "The attached  14 one-pagers and miscellaneous sheet do offer our  15 public positions/talking points on the key issues."  16 Do you see that?  17 A. I do.  18 Q. Do you recall a few minutes ago, I think  19 it was before we took a break, I had showed you a  20 document and asked you if these were Walgreens'  21 positions and you said that you didn't know if you  22 would characterize those statements as Walgreens'  23 positions.  24 But this -- what you've attached here</p>
<p style="text-align: right;">Page 83</p> <p>1 thresholds are associated with the term "crisis" or  2 "epidemic." I would repeat that I think one drug  3 overdose death is too many.  4 Q. I will show you what I'll mark as Kaleta  5 6.  6 (WHEREUPON, a certain document was  7 marked as Walgreens-Kaleta Exhibit  8 No. 6: 6/1918 e-mail with  9 attachments; WAGMDL00376065 -  10 00376072.)  11 BY MR. GADDY:  12 Q. This is P-WAG-1872, Bates No. 376065.  13 Do you recognize the top page as being  14 an e-mail from you?  15 A. Your question was whether this e-mail at  16 the top is from -- is from me, and the answer is  17 yes.  18 Q. Okay. And if you turn to the second  19 page, about halfway down the page do you see the  20 first e-mail in the chain from it looks like Nimesh  21 Jhaveri?  22 Do you see that?  23 A. I do.  24 Q. It says, "Hi Ed, hope you are well. I</p>	<p style="text-align: right;">Page 85</p> <p>1 are Walgreens' public positions on certain issues,  2 correct?  3 MR. SWANSON: Object to form.  4 BY THE WITNESS:  5 A. So, it's a pretty open-ended question.  6 There is some information here that is regarding  7 programs that Walgreens is involved with. Some of  8 these describe certain public policy issues, and in  9 some cases we're specific about what Walgreens is  10 in support of.  11 BY MR. GADDY:  12 Q. But what you tell Nimesh is that these,  13 what you're providing him, offers Walgreens' public  14 position and key talking points, correct?  15 A. Yes.  16 Q. If you turn the couple pages in, the  17 Bates number at the bottom is the one going to be  18 ending in 069.  19 A. Okay.  20 Q. Do you see at the top of the page it  21 says, "Miscellaneous Issue Positions"?  22 A. Yes.  23 Q. And then it separates them out by  24 different topics?</p>

<p style="text-align: right;">Page 86</p> <p>1 A. Yes.</p> <p>2 Q. At the bottom of the page we see</p> <p>3 Walgreens public position and talking points as it</p> <p>4 relates to drug diversion and abuse.</p> <p>5 Do you see that?</p> <p>6 A. I wouldn't call this talking points. I</p> <p>7 would say that this is a summary of some of our key</p> <p>8 initiatives.</p> <p>9 Q. Okay. And it goes on to say there under</p> <p>10 "Drug Diversion and Abuse," "The U.S. opioid</p> <p>11 epidemic continues to grow."</p> <p>12 Is that what it says?</p> <p>13 A. Yes. The first line says, "The U.S.</p> <p>14 opioid epidemic continues to grow."</p> <p>15 Q. So, that's a phrase that Walgreens, at</p> <p>16 least in this document, is comfortable using?</p> <p>17 A. Yes. That's correct.</p> <p>18 Q. Goes on to say, "More than 63,600 lives</p> <p>19 were lost to drug overdose in 2016, the most lethal</p> <p>20 year yet of the drug abuse epidemic according to a</p> <p>21 recent report from the CDC. The majority of these</p> <p>22 deaths (more than 42,000) involved opioids."</p> <p>23 Do you see that?</p> <p>24 A. I do.</p>	<p style="text-align: right;">Page 88</p> <p>1 information. This is a -- not a talking points</p> <p>2 document, as I mentioned. This is an issue</p> <p>3 position paper that talks through different issues,</p> <p>4 the background, and then in some cases lists either</p> <p>5 programs that we're involved with to help with</p> <p>6 these particular efforts or in other cases</p> <p>7 different policy positions that we might be taking.</p> <p>8 BY MR. GADDY:</p> <p>9 Q. And in listing out the background of</p> <p>10 Walgreens' position, in addition to talking about</p> <p>11 the opioid epidemic continuing to grow, it also</p> <p>12 contains the information about how individuals who</p> <p>13 misuse and abuse opioids eventually can graduate to</p> <p>14 illicit drugs such as heroin, correct?</p> <p>15 A. Yes. That is reflected in the third</p> <p>16 sentence.</p> <p>17 Q. I show you what I'll mark as Kaleta 7.</p> <p>18 (WHEREUPON, a certain document was</p> <p>19 marked as Walgreens-Kaleta Exhibit</p> <p>20 No. 7: 4/23/18 e-mail string with</p> <p>21 attachment; WAGMDL00035669 -</p> <p>22 00035683.)</p> <p>23 BY MR. GADDY:</p> <p>24 Q. This is P-WAG-1172, Bates No. 35669.</p>
<p style="text-align: right;">Page 87</p> <p>1 Q. It says, "Most people who misuse</p> <p>2 prescription drugs first obtain them from a family</p> <p>3 member or friend, often from a home medicine</p> <p>4 cabinet, and can eventually graduate to using</p> <p>5 illicit drugs such as heroin."</p> <p>6 Do you see that?</p> <p>7 A. I do.</p> <p>8 Q. According to this document, the public</p> <p>9 position or the talking points as it relates to</p> <p>10 Walgreens around drug diversion and abuse was that</p> <p>11 the U.S. opioid epidemic continues to grow,</p> <p>12 correct?</p> <p>13 MR. SWANSON: Object to form.</p> <p>14 BY THE WITNESS:</p> <p>15 A. So, the first sentence reads, "The U.S.</p> <p>16 opioid epidemic continues to grow." I'm not sure I</p> <p>17 understand your question.</p> <p>18 BY MR. GADDY:</p> <p>19 Q. I'm just asking whether or not that was</p> <p>20 Walgreens' position as it relates to drug diversion</p> <p>21 and abuse.</p> <p>22 MR. SWANSON: Object to form.</p> <p>23 BY THE WITNESS:</p> <p>24 A. Yeah, so, this is -- this is stating</p>	<p style="text-align: right;">Page 89</p> <p>1 And do you see this as being, it looks</p> <p>2 like, a one -- two-page e-mail with a PowerPoint</p> <p>3 attached to it?</p> <p>4 A. I've never seen this document before.</p> <p>5 Q. Okay. That was going to be one of my</p> <p>6 questions. I don't think you're copied on the</p> <p>7 e-mail chain here. Do you see that? I didn't see</p> <p>8 your name.</p> <p>9 A. Correct. I am not on this e-mail chain.</p> <p>10 Q. Okay. But you know who Patty Daugherty</p> <p>11 is?</p> <p>12 A. I don't.</p> <p>13 Q. Okay. Do you know who Eric Stahmann is?</p> <p>14 A. I do.</p> <p>15 Q. What do you understand Eric Stahmann's</p> <p>16 role to be?</p> <p>17 A. Eric is in our pharmacovigilance and</p> <p>18 diversion area.</p> <p>19 Q. Some of the other folks on this e-mail</p> <p>20 chain are Ed Bratton, Natasha Polster. Do you</p> <p>21 understand them to work in similar roles to Eric on</p> <p>22 the same team?</p> <p>23 A. I don't know Ed Bratton. I do know</p> <p>24 Tasha Polster.</p>



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1 Q. What do you understand her role to be?

2 A. She is also involved in

3 pharmacovigilance as well as diversion and a

4 handful of other issues as well.

5 Q. If you look at the first page of the

6 PowerPoint presentation, it says, "Silence the

7 Stigma. Opioid Use Disorder and Addressing

8 Stigma."

9 Do you see that?

10 A. That's what it says on the first slide,

11 that's correct.

12 Q. As far as you know, you haven't seen

13 this before, is that correct?

14 A. Nope.

15 Q. You don't know that Tasha or anybody

16 else at Walgreens ever made this information

17 available to you or this PowerPoint available to

18 you I should say?

19 A. I've never seen this document.

20 Q. Okay. You recognize it's a Walgreens

21 document?

22 A. I do.

23 Q. Okay. And it references, in the

24 heading, it references Walgreens Company/Purdue

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1 University College of Pharmacy.

2 Do you see that?

3 A. Yes. But I don't know what that means.

4 Q. Okay. That doesn't mean anything to

5 you?

6 A. Nope.

7 Q. It looks like the slides are numbered on

8 the bottom right-hand corner. If you'd turn to

9 slide 6 for me, please.

10 Are you with me?

11 A. I'm on slide 6.

12 Q. Do you see in the bottom right-hand

13 corner it's still got the Walgreens logo there?

14 A. It does.

15 Q. Okay. And the title of the slide is

16 "Opioid Statistics." Correct?

17 A. That's what it says.

18 Q. And the first bullet point is

19 "Prescription Opioids and Heroin," and it says,

20 "Nearly 80% of Americans using heroin reported

21 misusing opioids first."

22 Do you see that?

23 A. That's what the first bullet reads.

24 Q. Were you aware of that information?

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1 A. I've never seen this document before.

2 Q. Different question. Were you aware of

3 that information?

4 MR. SWANSON: Object to form, foundation.

5 BY THE WITNESS:

6 A. Just the first bullet?

7 BY MR. GADDY:

8 Q. Correct.

9 A. No, I'm not familiar with that. It may

10 be accurate. It may not be. I'm not familiar with

11 that particular fact.

12 Q. Has anybody at Walgreens ever made that

13 representation to you that nearly 80% of Americans

14 using heroin reported misusing opioids first?

15 A. They may have. They may not have. I

16 don't know.

17 Q. Nothing that stuck in your mind as far

18 as if it was mentioned to you?

19 A. We on any given day are working on a

20 multitude of issues. So, processing a lot of

21 information. That particular statistic, I'm not

22 familiar with it.

23 Q. I understand. The second bullet point

24 says, "Individuals who misuse prescription opioid

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1 pain pills are 40 times more likely to abuse

2 heroin."

3 Do you see that?

4 A. I do.

5 Q. Is that information that you were aware

6 of before reading it just now?

7 MR. SWANSON: Object to form, foundation.

8 BY THE WITNESS:

9 A. Again, I've never seen this document

10 before. I can't say for sure that that's a

11 statistic that I am familiar with. But I, you

12 know, I may have seen it before.

13 BY MR. GADDY:

14 Q. Were you aware that this was information

15 that Walgreens was including within PowerPoints

16 under the heading of "Opioid Statistics" and

17 circulating to other members of Walgreens' team

18 including members of their pharmacovigilance team?

19 A. So, by the fact that I've never seen

20 this document, the answer to your question is no.

21 Q. Okay. It goes on in the next heading to

22 say, "Prescription Opioid Misuse," and then it has

23 some statistics about costs.

24 Do you see that?

<p style="text-align: right;">Page 94</p> <p>1 A. I do.</p> <p>2 Q. It says, "55.7 billion nationally,</p> <p>3 25 billion in healthcare costs, 25.6 billion in</p> <p>4 lost workplace productivity, 5.1 billion in</p> <p>5 criminal justice costs."</p> <p>6 Do you see that?</p> <p>7 A. I do.</p> <p>8 Q. Is that information that you have become</p> <p>9 aware of through your employment at Walgreens?</p> <p>10 MR. SWANSON: Object to form.</p> <p>11 BY THE WITNESS:</p> <p>12 A. I'm not familiar with those statistics.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. And in your role as being a lobbyist</p> <p>15 representing Walgreens' interest in Washington,</p> <p>16 D.C., had Walgreens made you aware of the tens of</p> <p>17 billions of dollars that prescription opioid misuse</p> <p>18 is costing?</p> <p>19 MR. SWANSON: Object to form.</p> <p>20 BY THE WITNESS:</p> <p>21 A. I'm not familiar with these statistics.</p> <p>22 BY MR. GADDY:</p> <p>23 Q. Walgreens hadn't -- didn't make you</p> <p>24 familiar with those statistics through based on</p>	<p style="text-align: right;">Page 96</p> <p>1 the next one, there is an e-mail from Charles</p> <p>2 Greener to Stefano Pessina.</p> <p>3 Do you see that?</p> <p>4 A. Yes.</p> <p>5 Q. Who is Stefano Pessina?</p> <p>6 A. Stefano is our executive vice chairman</p> <p>7 and CEO of Walgreens Boots Alliance.</p> <p>8 Q. And Walgreens is a part of Walgreens</p> <p>9 Boots Alliance?</p> <p>10 A. That's correct.</p> <p>11 Q. So, Stefano Pessina would be the CEO of</p> <p>12 the company?</p> <p>13 A. That's correct. Just to be clear,</p> <p>14 Stefano Pessina is CEO of Walgreens Boots Alliance.</p> <p>15 Q. Of which Walgreens is a part of?</p> <p>16 A. Of which Walgreens is a part of, that's</p> <p>17 correct.</p> <p>18 Q. The e-mail from Chuck says, "Dear</p> <p>19 Stefano, attached is a joint industry letter</p> <p>20 addressing opioid crisis in America."</p> <p>21 Do you see that?</p> <p>22 A. I do.</p> <p>23 Q. It says, "We have been working with CVS</p> <p>24 on the letter, and Alex, Richard and their teams</p>
<p style="text-align: right;">Page 95</p> <p>1 your role as a lobbyist?</p> <p>2 A. They may have. Again, I process and</p> <p>3 have access to a fair amount of information on any</p> <p>4 given topic on any given day. I may have had</p> <p>5 exposure to these particular numbers, but I can't</p> <p>6 say.</p> <p>7 Q. I show you what I'll mark as Kaleta 8.</p> <p>8 This is P-WAG-1859, Bates No. 385788.</p> <p>9 (WHEREUPON, a certain document was</p> <p>10 marked as Walgreens-Kaleta Exhibit</p> <p>11 No. 8: 10/31/17 e-mail string with</p> <p>12 attachment; WAGMDL00385788 -</p> <p>13 00385791.)</p> <p>14 BY MR. GADDY:</p> <p>15 Q. Do you see this, the top, top of this</p> <p>16 e-mail chain is an e-mail from Charles Greener to</p> <p>17 you.</p> <p>18 Do you see that?</p> <p>19 A. Yes.</p> <p>20 Q. I think you told us earlier that Charles</p> <p>21 Greener is who you report to, correct?</p> <p>22 A. That's correct.</p> <p>23 Q. Okay. And, so, if you're looking at the</p> <p>24 e-mail that he forwarded to you, if we go down to</p>	<p style="text-align: right;">Page 97</p> <p>1 have reviewed the letter and are comfortable</p> <p>2 signing it."</p> <p>3 Do you see that?</p> <p>4 A. Yes.</p> <p>5 Q. Who is Alex that's referenced there?</p> <p>6 A. Alex Gourlay is the co-Chief Operating</p> <p>7 Officer of Walgreens Boots Alliance.</p> <p>8 Q. Also what Walgreens is a part of?</p> <p>9 A. That's correct.</p> <p>10 Q. It goes on to say, if you skip a</p> <p>11 sentence, "I wanted to see if you would like to</p> <p>12 sign on behalf of WBA." That is Walgreens Boots</p> <p>13 Alliance?</p> <p>14 A. Yes.</p> <p>15 Q. "I believe the letter is very good in</p> <p>16 demonstrating the industry working together on the</p> <p>17 opioid crisis and will be viewed very favorably by</p> <p>18 the Administration and Congress."</p> <p>19 Do you see that?</p> <p>20 A. Yes.</p> <p>21 Q. And if you turn to the attachment that</p> <p>22 Chuck sent you, do you see that he sent you this</p> <p>23 joint letter that he was asking the CEO of</p> <p>24 Walgreens Boots Alliance to review and encouraging</p>

<p style="text-align: right;">Page 98</p> <p>1 him to sign?</p> <p>2 Do you see that?</p> <p>3 A. I do.</p> <p>4 Q. Do you see in the first paragraph it</p> <p>5 says, "By any measure, opioid use in the</p> <p>6 United States has reached crisis proportions."</p> <p>7 Do you see that?</p> <p>8 A. I do.</p> <p>9 Q. "The number of opioid prescriptions has</p> <p>10 nearly tripled from 76 million in 1991 to</p> <p>11 approximately 207 million in 2013. The U.S.</p> <p>12 accounts for 80% of the world's consumption of</p> <p>13 opioid painkillers and 99% of the hydrocodone."</p> <p>14 Do you see that?</p> <p>15 A. I do.</p> <p>16 Q. "This remarkable volume is severely</p> <p>17 harming consumer health, costing the country more</p> <p>18 than \$78 billion annually in associated costs and</p> <p>19 taking a tragic toll on countless individuals and</p> <p>20 society as a whole."</p> <p>21 Do you see that?</p> <p>22 A. I do.</p> <p>23 Q. Is there anything in that paragraph that</p> <p>24 you disagree with?</p>	<p style="text-align: right;">Page 100</p> <p>1 letter that was sent to the CEO of Walgreens Boots</p> <p>2 Alliance and that he was being encouraged to sign</p> <p>3 the letter?</p> <p>4 A. I would agree with that.</p> <p>5 Q. And you see this is e-mail traffic</p> <p>6 that's occurring in October of 2017.</p> <p>7 Do you see that?</p> <p>8 A. That's the date of the e-mail, correct.</p> <p>9 Q. Are you aware of any other letter such</p> <p>10 as this prior to 2017 that the CEO of Walgreens</p> <p>11 Boots Alliance or prior to Walgreens going into</p> <p>12 Walgreens Boots Alliance, just Walgreen Company,</p> <p>13 are you aware of any letter prior to this that the</p> <p>14 CEO of the company was ever encouraged to sign?</p> <p>15 A. Yes.</p> <p>16 Q. Okay. When?</p> <p>17 A. I'm sure there is a handful of examples</p> <p>18 of different industry letters or other letters that</p> <p>19 potentially went to Capitol Hill supporting or</p> <p>20 outlining various positions on legislation that</p> <p>21 dealt with some of these issues in here.</p> <p>22 Q. Are you aware of any letter from</p> <p>23 Walgreens, whether it's Walgreens Company or</p> <p>24 Walgreens Boots Alliance, prior to October 30 of</p>
<p style="text-align: right;">Page 99</p> <p>1 A. I wouldn't say there is anything I</p> <p>2 disagree with. But I'm also not familiar with</p> <p>3 where the sourcing is for those particular numbers.</p> <p>4 I didn't write the letter.</p> <p>5 Q. This is a letter that the COO, Alex</p> <p>6 Gourlay, of Walgreens Boots Alliance reviewed and</p> <p>7 was passing on to Stefano Pessina, the CEO of</p> <p>8 Walgreens Boots Alliance, and was encouraging him</p> <p>9 to sign the letter?</p> <p>10 A. No.</p> <p>11 MR. SWANSON: Object to form.</p> <p>12 BY THE WITNESS:</p> <p>13 A. Actually, Chuck is passing it along to</p> <p>14 Stefano.</p> <p>15 BY MR. GADDY:</p> <p>16 Q. Okay. After Alex has reviewed it,</p> <p>17 correct?</p> <p>18 MR. SWANSON: Object to form.</p> <p>19 BY THE WITNESS:</p> <p>20 A. I mean, I'm not familiar with the</p> <p>21 cadence. But in the e-mail that you read, Chuck</p> <p>22 references that Alex has reviewed the letter.</p> <p>23 BY MR. GADDY:</p> <p>24 Q. You're not disagreeing that this is a</p>	<p style="text-align: right;">Page 101</p> <p>1 2017 that stated the opioid abuse in the</p> <p>2 United States had reached crisis proportions?</p> <p>3 A. Am I aware of any letters that use that</p> <p>4 exact language, is that your question?</p> <p>5 Q. Or comparable.</p> <p>6 MR. SWANSON: Object to form.</p> <p>7 BY THE WITNESS:</p> <p>8 A. So, again, I'm familiar with Walgreens</p> <p>9 and Walgreens Boots Alliance communicating with</p> <p>10 members of Congress on the Hill, either alone or</p> <p>11 with other entities prior to 2017.</p> <p>12 BY MR. GADDY:</p> <p>13 Q. Do you remember the first one?</p> <p>14 A. I don't. I don't have -- I don't recall</p> <p>15 the date.</p> <p>16 Q. Okay. If you were to take a stab at it,</p> <p>17 would you be able to do that?</p> <p>18 A. My --</p> <p>19 MR. SWANSON: Object to form.</p> <p>20 BY THE WITNESS:</p> <p>21 A. Yeah, no, my stab would probably be</p> <p>22 somewhere in the similar three-to-five-year range</p> <p>23 going back from today.</p> <p>24 But I should also say that prior to my</p>

<p style="text-align: right;">Page 102</p> <p>1 new role, there were multiple communications that I          2 know occurred, but I'm not familiar with what          3 that -- with what the subject matter was.          4 So, I can only speak to what I was aware          5 of from 2011 moving forward, and I can speak to          6 what I'm more aware of since being in this          7 different role over the last three years.          8 Q. Do you agree that Walgreens has a          9 responsibility to combat opioid abuse?          10 A. I believe that each entity in the drug          11 supply chain has a responsibility to help with          12 prescription drug abuse.          13 Q. Does that include Walgreens?          14 A. Yes.          15 Q. Does that include other pharmaceutical          16 distributors?          17 A. I believe that all the entities in the          18 drug supply chain have a responsibility to try to          19 address the prescription drug abuse challenges          20 facing our country.          21 Q. So, yes, that includes pharmaceutical          22 distributors?          23 A. They are part of the drug supply chain,          24 yes.</p>	<p style="text-align: right;">Page 104</p> <p>1 investigation or settlement was when you read a          2 press release about the settlement?          3 A. I believe that's correct, yes. But --          4 yes. So...          5 Q. Would that have been the first time that          6 you even knew that Walgreens was under          7 investigation by the DEA?          8 A. I don't know any of the specifics. I          9 don't know if or when they were under          10 investigation.          11 Again, I'm aware of a settlement that          12 Walgreens entered into in 2013 as a result of          13 reading the press release.          14 Q. Were you involved in any meetings or          15 conversations with anybody from DEA or DOJ,          16 Department of Justice, regarding that investigation          17 or settlement?          18 A. Back in 2013?          19 Q. Correct.          20 A. No.          21 Q. Did you have any meetings or          22 conversations with any Congressmen or women or          23 their staffs regarding that investigation and/or          24 the settlement?</p>
<p style="text-align: right;">Page 103</p> <p>1 Q. Does that also include the          2 pharmaceutical manufacturers of opioids?          3 A. I believe everybody in the drug supply          4 chain has a responsibility to try to do their part          5 to address prescription drug abuse.          6 Q. That would include the retail          7 distributors or retail pharmacies, correct?          8 A. If they are in the drug supply chain,          9 which some but not all are, then, yes, I believe          10 they have a responsibility to try to do something          11 to address prescription drug abuse.          12 Q. Are you aware that in 2013 Walgreens          13 entered into a settlement with the DEA related to          14 alleged violations of the Controlled Substance Act?          15 A. I am not aware of the specifics of what          16 you just mentioned. I was aware back in somewhere          17 around 2013 reading a press release about a          18 settlement with the DEA.          19 Q. Okay. Would it be fair to say that the          20 first time you learned about a settlement between          21 Walgreens and the DEA, and specifically I'm talking          22 about the one that came out of the investigation          23 into the Jupiter distribution center, would it be          24 fair to say the first time you became aware of that</p>	<p style="text-align: right;">Page 105</p> <p>1 A. I don't believe so.          2 Q. I show you what I'll mark as Kaleta 9.          3 (WHEREUPON, a certain document was          4 marked as Walgreens-Kaleta Exhibit          5 No. 9: Binder containing          6 Settlement and Memorandum of          7 Agreement between DOJ, DEA and          8 Walgreens and other documents;          9 WAGMDL00490963 - 00490978.)          10 BY MR. GADDY:          11 Q. If you flip to the -- this is P-WAG-1.          12 If you'll flip to the first page, do you          13 see it says Settlement and Memorandum of Agreement?          14 A. Yes. It says that at the top.          15 Q. Do you know if you've ever seen this          16 before?          17 A. I don't believe I've ever seen this          18 before, no.          19 Q. As you sit here today and before we get          20 into this document, what is your understanding          21 of -- or let me ask you this first.          22 Do you have an understanding of the          23 allegations that the DEA made against Walgreens in          24 starting in 2012 that results in the 2013</p>

<p style="text-align: right;">Page 106</p> <p>1 settlement?</p> <p>2 A. I'm in the government relations area,</p> <p>3 was back then as well with a much more narrow</p> <p>4 focus. So, the answer to your question is no. All</p> <p>5 I can recall is reading a press release sometime in</p> <p>6 2013 about the settlement.</p> <p>7 Q. Okay. Since then have you gained an</p> <p>8 understanding of any of the allegations that were</p> <p>9 made against Walgreens by the DEA?</p> <p>10 MR. SWANSON: Let me just caution you not to</p> <p>11 disclose anything you may have learned from your</p> <p>12 legal counsel either in litigation or before.</p> <p>13 Separate from that, if you can answer the question,</p> <p>14 go ahead.</p> <p>15 BY THE WITNESS:</p> <p>16 A. I'm not aware of anything related to the</p> <p>17 settlement beyond the press release that I read in</p> <p>18 2013.</p> <p>19 BY MR. GADDY:</p> <p>20 Q. And your job in Washington as it relates</p> <p>21 to government relations and public policy, do you,</p> <p>22 have you ever had occasion to have any meetings or</p> <p>23 communications with individuals from DEA or DOJ?</p> <p>24 A. Since I've been employed by Walgreens?</p>	<p style="text-align: right;">Page 108</p> <p>1 A. Yes.</p> <p>2 Q. Okay. Do you recall when your first</p> <p>3 interaction with DOJ would have been?</p> <p>4 A. I don't.</p> <p>5 Q. Okay. Would it have been before or</p> <p>6 after your first conversation with DEA on the drug</p> <p>7 take-back program?</p> <p>8 A. It's possible that I had a communication</p> <p>9 of some sort with the DOJ on an issue prior to</p> <p>10 2016. I can't say. Again, we are involved in a</p> <p>11 multitude of issues, so I can't say for sure.</p> <p>12 Q. Are there any topics that you've had</p> <p>13 interactions with DEA -- sorry. Let me finish the</p> <p>14 first thing first.</p> <p>15 Your conversations with DOJ, did that</p> <p>16 also relate to the drug take-back program or was it</p> <p>17 other issues?</p> <p>18 A. Other issues.</p> <p>19 Q. What were the other issues?</p> <p>20 A. Any number of different issues in the</p> <p>21 last seven years. I mean, do you want an</p> <p>22 exhaustive list?</p> <p>23 Q. Give me a taste of the most predominant</p> <p>24 issues that you would interact with DOJ about?</p>
<p style="text-align: right;">Page 107</p> <p>1 Q. Yes.</p> <p>2 A. On any issue?</p> <p>3 Q. Yes.</p> <p>4 A. The answer is yes.</p> <p>5 Q. Okay. Do you recall when you first</p> <p>6 having or when you first would have had a meeting</p> <p>7 with DEA or DOJ?</p> <p>8 A. I believe my first communication with</p> <p>9 the DEA was back in 2015, 2016, end of 2015,</p> <p>10 beginning of 2016 in reference to our Safe</p> <p>11 Medication Disposal Program and seeing if we were</p> <p>12 understanding the regulations associated with that</p> <p>13 drug disposal correctly.</p> <p>14 Q. Okay. And that was related to the</p> <p>15 regulations that they finalized sometime in 2014</p> <p>16 range?</p> <p>17 A. That's correct.</p> <p>18 Q. Okay. Have you had interactions with</p> <p>19 DEA or -- let me back up.</p> <p>20 Have you ever had any conversations or</p> <p>21 interactions with the Department of Justice that</p> <p>22 you're aware of outside of the DEA?</p> <p>23 A. On any issue?</p> <p>24 Q. Correct.</p>	<p style="text-align: right;">Page 109</p> <p>1 A. Most recently antitrust issues.</p> <p>2 Q. Okay. Anything relating to drug --</p> <p>3 prescription drug distribution or prescription drug</p> <p>4 dispensing with DOJ specifically?</p> <p>5 A. With the Department of Justice, I don't</p> <p>6 believe so, no, not that I can recall.</p> <p>7 Q. Have there been any issues that you've</p> <p>8 interacted with the DEA about other than the</p> <p>9 medication take-back kiosks?</p> <p>10 A. My interaction with the DEA has been</p> <p>11 largely, if not completely, in some form or fashion</p> <p>12 relates back to our Safe Medication Disposal</p> <p>13 Program.</p> <p>14 Q. Have you ever done anything to educate</p> <p>15 yourself or become educated in any other way about</p> <p>16 the settlement that Walgreens entered with the DEA</p> <p>17 or any of the allegations therein outside of a</p> <p>18 press release that you believe you reviewed back in</p> <p>19 2013?</p> <p>20 A. Not to my -- not to my recollection, no.</p> <p>21 Q. Do you recall whether -- who issued that</p> <p>22 press release?</p> <p>23 A. I don't. I -- I don't.</p> <p>24 Q. This document has got page numbers in</p>



Page 110	Page 112
<p>1 the bottom right-hand corner.</p> <p>2 A. Okay.</p> <p>3 Q. If you would flip for me, please, to</p> <p>4 page 23.</p> <p>5 A. Page 23 of 343?</p> <p>6 Q. Yes, please.</p> <p>7 A. 23 of 343. Okay.</p> <p>8 Q. Are you there?</p> <p>9 A. I am.</p> <p>10 Q. Okay. And you see up at the top right</p> <p>11 of the page it says, "U.S. Department of Justice,</p> <p>12 Drug Enforcement Administration."</p> <p>13 Do you see that?</p> <p>14 A. I do.</p> <p>15 Q. Then below that there is the date,</p> <p>16 September 13, 2012.</p> <p>17 Do you see that?</p> <p>18 A. I do.</p> <p>19 Q. And it says the style of the case over</p> <p>20 on the left, it says, "In the matter of Walgreen</p> <p>21 Company," and it has a Jupiter, Florida address.</p> <p>22 Do you see that?</p> <p>23 A. I do.</p> <p>24 Q. Are you aware that Walgreens has a</p>	<p>1 and safety?</p> <p>2 A. I was not.</p> <p>3 Q. Was that not included in the press</p> <p>4 release that you reviewed?</p> <p>5 MR. SWANSON: Object to form.</p> <p>6 BY THE WITNESS:</p> <p>7 A. I don't remember.</p> <p>8 BY MR. GADDY:</p> <p>9 Q. What does that phrase mean to you,</p> <p>10 imminent danger to the public health and safety?</p> <p>11 MR. SWANSON: Object to form.</p> <p>12 BY THE WITNESS:</p> <p>13 A. So, in addition to not understanding a</p> <p>14 lot of the operations of our company, I'm also not</p> <p>15 a lawyer, so I don't understand most of that</p> <p>16 sentence.</p> <p>17 I'm not familiar with what the</p> <p>18 Certificate of Registration is. I'm definitely not</p> <p>19 familiar with the -- that section of the U.S. Code.</p> <p>20 So, I don't think I can speak to any part of that</p> <p>21 sentence.</p> <p>22 BY MR. GADDY:</p> <p>23 Q. Would you agree that it would not be a</p> <p>24 good thing for the DEA to be saying that Walgreens</p>
Page 111	Page 113
<p>1 distribution center in Jupiter, Florida?</p> <p>2 A. I am aware that we did. I can't say for</p> <p>3 certain if we still do or not.</p> <p>4 Q. The title of the document is "Order to</p> <p>5 Show Cause and Immediate Suspension of</p> <p>6 Registration."</p> <p>7 Do you see that?</p> <p>8 A. Yes. I do.</p> <p>9 Q. And I'll skip down to where it says</p> <p>10 "Notice." It says, "Notice is hereby given to</p> <p>11 inform Walgreen Corporation of the immediate</p> <p>12 suspension of Drug Enforcement Administration</p> <p>13 Certificate of Registration RW0277752 pursuant to</p> <p>14 21 USC Section 824(d) because such registration</p> <p>15 constitutes an imminent danger to the public health</p> <p>16 and safety."</p> <p>17 Do you see that?</p> <p>18 A. I see what you've highlighted, yes.</p> <p>19 Q. Okay.</p> <p>20 A. And read.</p> <p>21 Q. Were you aware that it was the position</p> <p>22 of the DEA that allowing the Walgreens distribution</p> <p>23 center in Jupiter, Florida to continue to operate</p> <p>24 constituted an imminent danger to the public health</p>	<p>1 constitutes an imminent danger to the public health</p> <p>2 and safety?</p> <p>3 MR. SWANSON: Object to form.</p> <p>4 BY THE WITNESS:</p> <p>5 A. So, I don't know what that says. But to</p> <p>6 answer your question, would it generally be not</p> <p>7 good for the DEA to say something regarding</p> <p>8 imminent danger? Yeah, that's probably not</p> <p>9 something that's good.</p> <p>10 BY MR. GADDY:</p> <p>11 Q. Before we get into some of the</p> <p>12 allegations, you told us that you reviewed a press</p> <p>13 release back in 2013.</p> <p>14 As you sit here today what is your</p> <p>15 understanding of the settlement that Walgreens</p> <p>16 entered into with the DEA and the basis for the</p> <p>17 settlement as far as what was alleged against</p> <p>18 Walgreens?</p> <p>19 A. Extremely limited.</p> <p>20 Q. Okay. Can you tell us?</p> <p>21 A. I remember that we entered into a</p> <p>22 settlement with the DEA regarding the Jupiter</p> <p>23 distribution center, and I honestly can't recall</p> <p>24 any details. That was now, what, five years ago?</p>

<p style="text-align: right;">Page 114</p> <p>1 This is '13. No, six years ago.</p> <p>2 So, this was less than a -- a little bit</p> <p>3 more than a year after I joined the company, and I</p> <p>4 don't recall any details beyond the fact that we</p> <p>5 entered into a settlement with the DEA and it had</p> <p>6 something to do with our distribution center in</p> <p>7 Jupiter, Florida.</p> <p>8 Q. Okay. Did you have an understanding</p> <p>9 that back leading up to 2013 that Walgreens was a</p> <p>10 distributor of controlled substances in addition to</p> <p>11 being a dispenser from their pharmacies?</p> <p>12 A. Back in 2000 -- prior to 2013 I probably</p> <p>13 did not have a good understanding of what</p> <p>14 Walgreens' role was beyond dispensing</p> <p>15 prescriptions.</p> <p>16 Q. As you sit here today do you have an</p> <p>17 understanding that for a significant period of time</p> <p>18 Walgreens was a distributor in addition to being a</p> <p>19 dispenser?</p> <p>20 A. As I sit here today --</p> <p>21 MR. SWANSON: Object to form.</p> <p>22 BY THE WITNESS:</p> <p>23 A. -- I am aware that we have an ownership</p> <p>24 stake in AmerisourceBergen and as a result of that,</p>	<p style="text-align: right;">Page 116</p> <p>1 and talk to you about any of the details of the</p> <p>2 settlement?</p> <p>3 MR. SWANSON: Other than any lawyers.</p> <p>4 BY THE WITNESS:</p> <p>5 A. I can vaguely recall my boss at the</p> <p>6 time, Debbie Garza, mentioning in a meeting the</p> <p>7 press release and saying that there is nothing to</p> <p>8 discuss beyond the press release.</p> <p>9 BY MR. GADDY:</p> <p>10 Q. There was no other information</p> <p>11 disseminated from Walgreens corporate to you to</p> <p>12 help you with your job liaisoning with Congressmen</p> <p>13 and women and their staffs in Washington?</p> <p>14 MR. SWANSON: Object to form, assumes facts.</p> <p>15 BY THE WITNESS:</p> <p>16 A. Not that I recall.</p> <p>17 BY MR. GADDY:</p> <p>18 Q. There was nothing provided by Walgreens</p> <p>19 corporate to assist you in any public policy</p> <p>20 portion of your job either then or further down the</p> <p>21 road?</p> <p>22 MR. SWANSON: Same objection.</p> <p>23 BY THE WITNESS:</p> <p>24 A. Not that I recall. On most legal</p>
<p style="text-align: right;">Page 115</p> <p>1 they are our wholesaler. That's what I'm familiar</p> <p>2 with.</p> <p>3 BY MR. GADDY:</p> <p>4 Q. Do you have any -- any understanding</p> <p>5 that Walgreens at one point in time acted as</p> <p>6 essentially as its own wholesaler? Do you have</p> <p>7 that understanding?</p> <p>8 A. I don't. We may have, but I don't</p> <p>9 have -- I don't have -- I have very little</p> <p>10 knowledge about it.</p> <p>11 Q. Okay. When you read this press release</p> <p>12 that Walgreens had entered into a settlement with</p> <p>13 the DEA, do you remember the amount of the</p> <p>14 settlement?</p> <p>15 A. I don't.</p> <p>16 Q. Did you have any conversations with</p> <p>17 anybody at Walgreens about the company entering</p> <p>18 into a settlement with the DEA?</p> <p>19 A. I probably did have watercooler-type</p> <p>20 conversations once the press release came out.</p> <p>21 Q. Did you learn any information from</p> <p>22 those?</p> <p>23 A. Not that I recall.</p> <p>24 Q. Did anybody from the company ever come</p>	<p style="text-align: right;">Page 117</p> <p>1 matters, generally we are told to stick to the</p> <p>2 press release and share the press release, if</p> <p>3 asked, and quote the press release verbatim and not</p> <p>4 veer from it.</p> <p>5 And, so, I can't say for sure that</p> <p>6 happened with this settlement back in 2012, but it</p> <p>7 may have.</p> <p>8 Q. You told us earlier that it was your</p> <p>9 belief that everybody in the supply chain had a</p> <p>10 responsibility to combat opioid abuse, is that</p> <p>11 right?</p> <p>12 A. Yes, doctors, pharmaceuticals,</p> <p>13 wholesalers, pharmacists, PBMs, health insurers.</p> <p>14 Everybody in the supply chain has a responsibility.</p> <p>15 Q. You agree that if Walgreens is engaging</p> <p>16 in activity around opioids that constitutes an</p> <p>17 imminent danger to the public health and safety,</p> <p>18 that that would be inconsistent with that</p> <p>19 responsibility?</p> <p>20 MR. SWANSON: Object to form.</p> <p>21 BY THE WITNESS:</p> <p>22 A. I'm not familiar -- I can't speak to</p> <p>23 you -- what you're referencing. I'm not sure I</p> <p>24 understand the question.</p>

<p style="text-align: right;">Page 118</p> <p>1 BY MR. GADDY:</p> <p>2 Q. Well, I think it's a pretty simple</p> <p>3 question.</p> <p>4 If Walgreens is engaging in activity</p> <p>5 that's of imminent danger to the public health and</p> <p>6 safety as it relates to opioids, you would agree</p> <p>7 that's inconsistent with their responsibility to</p> <p>8 help address or solve opioid abuse in the country?</p> <p>9 MR. SWANSON: Object to form.</p> <p>10 BY THE WITNESS:</p> <p>11 A. I'm not aware that Walgreens is or has</p> <p>12 done the words that you mention. Again, I'm not a</p> <p>13 lawyer. So, I can't agree or disagree with that</p> <p>14 whole statement because I'm just not familiar</p> <p>15 enough with the facts surrounding that and whether</p> <p>16 that's true or was true or could be true.</p> <p>17 BY MR. GADDY:</p> <p>18 Q. Well, I'm not trying to use any legal</p> <p>19 terminology. I'm asking you that if Walgreens</p> <p>20 engaged in behavior that constituted an imminent</p> <p>21 danger to the public health and safety as it</p> <p>22 relates to their activities around opioids, that</p> <p>23 would be inconsistent with what you've said is</p> <p>24 their responsibility to actively address and help</p>	<p style="text-align: right;">Page 120</p> <p>1 not familiar with some of the terms that you used.</p> <p>2 What I can say is we've done a great</p> <p>3 deal in working with other folks in the supply</p> <p>4 chain and working with the DEA and have now been</p> <p>5 able to install 1,100 kiosks around the country and</p> <p>6 we've collected over 500 tons of unused</p> <p>7 medications.</p> <p>8 And I've been very involved on that</p> <p>9 effort, and it's something that I feel very</p> <p>10 strongly about in terms of the impact that we've</p> <p>11 had.</p> <p>12 Q. Again, I'll object to the portion of the</p> <p>13 answer that's not responsive to the question.</p> <p>14 Turn the -- to page 24 for me, please.</p> <p>15 Sorry. Go back to 23. Let's start</p> <p>16 there.</p> <p>17 See the paragraph numbered 1 at the</p> <p>18 bottom of the page?</p> <p>19 A. Um-hmm.</p> <p>20 Q. It says, "Walgreens' Jupiter, Florida</p> <p>21 distribution center is registered with DEA as a</p> <p>22 distributor in Schedules II to V pursuant to DEA</p> <p>23 Certificate of Registration," gives a number, and</p> <p>24 then it gives an address.</p>
<p style="text-align: right;">Page 119</p> <p>1 to solve opioid abuse?</p> <p>2 MR. SWANSON: Object to form.</p> <p>3 BY THE WITNESS:</p> <p>4 A. So, you're asking me to answer a</p> <p>5 hypothetical question. What I can say is in the</p> <p>6 time that I've been head of federal government</p> <p>7 relations and U.S. public policy, what we have done</p> <p>8 with safe medication disposal has resulted in us</p> <p>9 collecting 500 tons of unused medications.</p> <p>10 I have spent a lot of time on the</p> <p>11 program. I'm super-proud of it and I know for a</p> <p>12 fact that we've probably prevented some folks from</p> <p>13 overdosing as a result of it.</p> <p>14 Q. Okay. I'll object to the answer to the</p> <p>15 extent it's not responsive.</p> <p>16 I think the question is simple. If</p> <p>17 Walgreens, as it relates to their behavior with</p> <p>18 opioids, is acting in a way that they constitute an</p> <p>19 imminent danger to the public health and safety,</p> <p>20 that would be inapposite to their responsibility to</p> <p>21 help address and solve the opioid crisis, correct?</p> <p>22 MR. SWANSON: Object to form.</p> <p>23 BY THE WITNESS:</p> <p>24 A. I can't -- again, I'm not a lawyer. I'm</p>	<p style="text-align: right;">Page 121</p> <p>1 Do you see that?</p> <p>2 A. I see that sentence, yes.</p> <p>3 Q. Skip a sentence. It goes on to say,</p> <p>4 "The Jupiter distribution center is one of 12</p> <p>5 distribution centers owned and operated by</p> <p>6 Walgreens Corporation, headquartered in Deerfield,</p> <p>7 Illinois. Walgreens also operates more than 7,800</p> <p>8 Walgreens retail pharmacies in the United States."</p> <p>9 Do you see that?</p> <p>10 A. I do.</p> <p>11 Q. Is that 7,800 number still accurate or</p> <p>12 has it gone up since then?</p> <p>13 A. I believe it's higher.</p> <p>14 Q. Do you have an estimate for where it is</p> <p>15 now?</p> <p>16 A. Somewhere around 9,000.</p> <p>17 Q. Is that paragraph consistent with your</p> <p>18 understanding that Walgreens, at least at one time,</p> <p>19 had a distribution center in Jupiter, Florida?</p> <p>20 A. I have no idea what "Schedules II-V</p> <p>21 pursuant to DEA Certificate of Registration" means.</p> <p>22 So, I can't -- I can't answer your question. I</p> <p>23 don't know what this means.</p> <p>24 Q. Okay. Let's go to paragraph 2. It</p>

<p style="text-align: right;">Page 122</p> <p>1 says, "Since at least 2009, the State of Florida          2 has been the epicenter of a notorious,          3 well-documented epidemic of prescription drug          4 abuse."          5 Do you see that?          6 A. I do.          7 Q. Were you aware of that when you started          8 with Walgreens in 2011?          9 A. I was not.          10 Q. Did anybody at Walgreens make you aware          11 of that when you began with Walgreens in 2011?          12 A. Make me aware of that first sentence?          13 Q. Correct.          14 A. I can't recall that anybody specifically          15 told me that information.          16 Q. It says, "In July 2011, the Florida          17 Surgeon General declared a public health emergency          18 based on the prescription pill epidemic which          19 results in an average of seven overdose deaths per          20 day in Florida."          21 It says, "The drugs most commonly          22 associated with this epidemic are typically          23 prescribed at unscrupulous pain clinics by          24 physicians acting outside the usual course of</p>	<p style="text-align: right;">Page 124</p> <p>1 Q. See in paragraph 3 it says, "Oxycodone          2 is a dangerously addictive Schedule II controlled          3 substance which is known to be highly abused and          4 diverted in the State of Florida."          5 Do you see that?          6 A. I see that sentence, yes.          7 Q. Do you recall that we or first thing          8 this morning read some documents about oxycodone          9 and specifically OxyContin going back to 2001-2003?          10 Do you recall that from earlier today?          11 A. Do I recall a conversation or you          12 reading about oxycodone earlier today, is that your          13 question?          14 Q. Correct.          15 A. Yes, I'm aware that you read some          16 information related to oxycodone earlier today.          17 Q. Did you have an understanding prior to          18 us reading that just now that oxycodone is a          19 dangerously addictive Schedule II controlled          20 substance?          21 A. I'm aware that oxycodone is an addictive          22 substance.          23 Q. When did you gain that knowledge?          24 A. Probably sometime in the last three to</p>
<p style="text-align: right;">Page 123</p> <p>1 professional practice and include Schedule II pain          2 relievers such as oxycodone, Schedule IV          3 benzodiazepines such as alprazolam and Schedule IV          4 muscle relaxers such as carisoprodol."          5 Do you see that?          6 A. I see that sentence, yes.          7 Q. Were you aware of that information prior          8 to me reading it just now?          9 A. I am aware of the "unscrupulous pain          10 clinics by physicians acting outside of the usual          11 course of practice."          12 Q. Did you have an understanding that those          13 drugs that we mentioned there were some of the most          14 used and abused opioids?          15 A. No. I can't say for sure that I was          16 aware that they were the most -- what was the term          17 you used?          18 Q. Used and abused opioids.          19 A. No, I don't know that I would be able to          20 say that they were the most used and abused, but I          21 was -- I am familiar with the fact that -- have          22 been exposed to the information about the          23 "unscrupulous pain clinics by physicians acting          24 outside the usual course of professional practice."</p>	<p style="text-align: right;">Page 125</p> <p>1 five years.          2 Q. If you go to paragraph 4, it says,          3 "Since 2009, Walgreens Jupiter, Florida          4 distribution center has been the single largest          5 distributor of oxycodone products in Florida."          6 Do you see that?          7 A. I see that sentence, yes.          8 Q. You've mentioned or wanted to mention          9 and have mentioned doctors or physicians several          10 times. But do you see here that it was Walgreens          11 who was the single largest distributor of oxycodone          12 products in Florida?          13 MR. SWANSON: Object to form.          14 BY THE WITNESS:          15 A. So, I mentioned doctors twice, once          16 about 30 minutes ago and again because it's          17 actually in this sentence. But it also goes back          18 to what I've said now a few times, which is that          19 everybody in the supply chain has a responsibility          20 to try to help with prescription drug abuse.          21 BY MR. GADDY:          22 Q. My question was did you know that since          23 2009, and, again, this document came out in          24 September of '12, that since 2009, over that</p>

<p style="text-align: right;">Page 126</p> <p>1 three-year period, Walgreens was the single largest          2 distributor of oxycodone products in Florida? Did          3 you know that?          4 A. I did not know that.          5 Q. Prior to us reading it just now, did you          6 have any idea of that?          7 A. I did not.          8 Q. It goes on to say, "At the same time as          9 the abuse of prescription drugs became an epidemic          10 in Florida, Walgreens Florida retail pharmacies,          11 supplied by Respondent, commanded an increasingly          12 large percentage of the state's growing oxycodone          13 business. In 2010, only 3 Walgreens retail          14 pharmacies were in the top 100 purchasers of          15 oxycodone within Florida. In 2011, 38 Walgreens          16 pharmacies made the top 100 and 6 were in the top          17 10."          18 Do you see that?          19 A. I see those sentences, yes.          20 Q. Was that information that you were aware          21 of or that anybody at Walgreens ever made you aware          22 of?          23 A. No.          24 Q. "Through May of 2012, 44 Walgreens</p>	<p style="text-align: right;">Page 128</p> <p>1 the State of Florida is inconsistent with what you          2 said is Walgreens' responsibility to combat or try          3 to solve or help opioid abuse across the country?          4 MR. SWANSON: Object to form.          5 BY THE WITNESS:          6 A. So, again, this is the first time I have          7 seen this information. I can't respond one way or          8 the other about how it ranks, impacts or anything          9 else related to the supply chain.          10 BY MR. GADDY:          11 Q. If we turn to the or go to the next          12 page, page 25, do you see the chart at the top of          13 the page?          14 A. Uh-huh.          15 Q. And do you see the chart in the          16 left-hand column lists several store locations?          17 A. Yes.          18 Q. And then over to the right there is a          19 heading that says "Oxycodone Purchases by Dosage          20 Unit."          21 A. Yes.          22 Q. And then it has three, three years, '09,          23 '10 and '11.          24 Do you see that?</p>
<p style="text-align: right;">Page 127</p> <p>1 pharmacies are in the top 100 oxycodone purchasers,          2 all of them supplied by Respondent," which I'll          3 represent to you means Walgreens.          4 Do you see that?          5 A. I do see that, yes.          6 Q. Would you agree with me that having          7 Walgreens be 44 of the top 100 oxycodone --          8 Walgreens stores being 44 of the top 100 oxycodone          9 purchasers within the State of Florida would be          10 inconsistent with what you said is their          11 responsibility to try to combat opioid abuse?          12 MR. SWANSON: Object to form.          13 BY THE WITNESS:          14 A. So, this is the first time I've seen          15 this document. It's the first time I've seen this          16 paragraph in this section, so I can't speak to the          17 context of how it applies to any number of          18 different metrics related to other pharmacies,          19 other distributors, other things going on in the          20 State of Florida. I just don't have that knowledge          21 or background or expertise.          22 BY MR. GADDY:          23 Q. But would you agree that having some of          24 the highest dispensing pharmacies of oxycodone in</p>	<p style="text-align: right;">Page 129</p> <p>1 A. I do.          2 Q. And if you look at the first store          3 that's listed there, the Hudson, Florida store, you          4 see that it goes from 388,000 dosage units in 2009          5 to 900,000 the following year and 2.2 million in          6 2011.          7 Do you see that?          8 A. I do. I see those numbers, yes.          9 Q. Do you agree with me that that's a          10 significant increase in the number of oxycodone          11 dosage units going to that particular pharmacy?          12 MR. SWANSON: Object to form, foundation.          13 BY THE WITNESS:          14 A. So I'm not familiar with this chart.          15 I've not seen it before. I can't speak to it. I          16 would agree with the terminology that there was an          17 increase from '09 to '10 to '11 based on reading          18 what's on the paper, but that's all I can speak to.          19 BY MR. GADDY:          20 Q. Okay. It was about a five times          21 increase, right?          22 A. I'll trust. I don't know. I have not          23 done the math. There is an increase based on those          24 numbers. But, again, I'm not familiar with this</p>



<p style="text-align: right;">Page 130</p> <p>1 chart, so I don't know what the context is.</p> <p>2 Q. Okay. If you look in the next store in</p> <p>3 the Fort Myers location, it indicates in 2009 there</p> <p>4 were 95,000 dosages of oxycodone that went to that</p> <p>5 pharmacy, correct?</p> <p>6 A. That's what that says. Assuming that --</p> <p>7 I mean, again, I'm not familiar with this chart. I</p> <p>8 don't know what "dosage unit" means per se.</p> <p>9 Q. Okay. Assume it means pill.</p> <p>10 A. Okay.</p> <p>11 Q. So, in 2009 --</p> <p>12 A. But I don't know that it means pill.</p> <p>13 Q. Okay.</p> <p>14 A. Does it mean pill? I don't know.</p> <p>15 Q. For the purposes of our conversation</p> <p>16 let's assume it means pill.</p> <p>17 MR. SWANSON: Are you making a representation</p> <p>18 to him or not? That's what he wants to know.</p> <p>19 MR. GADDY: Sure.</p> <p>20 BY THE WITNESS:</p> <p>21 A. Does it mean bottle?</p> <p>22 BY MR. GADDY:</p> <p>23 Q. I am representing to you that it means</p> <p>24 pill. Okay?</p>	<p style="text-align: right;">Page 132</p> <p>1 Q. What does it go to in 2011?</p> <p>2 A. Well, if you go down again from 2011, it</p> <p>3 says 2,165,900.</p> <p>4 Q. Would you agree that there is a</p> <p>5 significant increase in the number of pills that</p> <p>6 went to that particular pharmacy and specifically</p> <p>7 oxycodone pills between 2009 and 2011?</p> <p>8 MR. SWANSON: Object to form, foundation.</p> <p>9 BY THE WITNESS:</p> <p>10 A. So, I'm not in the operations business.</p> <p>11 I'm not in the dispensing business. I'm not a</p> <p>12 pharmacist and I have not seen this chart before,</p> <p>13 so I can't speak to whether it's significant or not</p> <p>14 significant or anything else.</p> <p>15 BY MR. GADDY:</p> <p>16 Q. Well, you agree it's an over a 20 times</p> <p>17 increase?</p> <p>18 A. Again, that's your math. I've not done</p> <p>19 the math. I probably need a calculator.</p> <p>20 Q. You would or would not call a 20 times</p> <p>21 increase in the number of oxycodone pills going to</p> <p>22 one particular pharmacy a significant increase?</p> <p>23 MR. SWANSON: Object to form, foundation.</p> <p>24 BY THE WITNESS:</p>
<p style="text-align: right;">Page 131</p> <p>1 A. Okay.</p> <p>2 Q. 95,800 pills to Fort Myers, Florida</p> <p>3 location.</p> <p>4 Do you see that?</p> <p>5 A. I do.</p> <p>6 MR. SWANSON: Object to form.</p> <p>7 BY MR. GADDY:</p> <p>8 Q. And what does it go to two years later?</p> <p>9 MR. SWANSON: Object to form.</p> <p>10 BY THE WITNESS:</p> <p>11 A. So, you just asked me to read the</p> <p>12 numbers on the page?</p> <p>13 BY MR. GADDY:</p> <p>14 Q. Yeah, I'm asking what the chart</p> <p>15 indicates the number of pills given to that</p> <p>16 particular Walgreens pharmacy two years after it</p> <p>17 was given 95,800 pills.</p> <p>18 A. So, I've never seen this chart before.</p> <p>19 I don't necessarily know what it's saying or what</p> <p>20 the numbers mean.</p> <p>21 What I can obviously agree to is that</p> <p>22 under the 2009, if you go down, it says 95,800; and</p> <p>23 then if you go to 2010, it shows a bigger number,</p> <p>24 496,100.</p>	<p style="text-align: right;">Page 133</p> <p>1 A. So, I'm on the government relations</p> <p>2 team. I don't have background related to</p> <p>3 dispensing rates. I just can't speak to that.</p> <p>4 BY MR. GADDY:</p> <p>5 Q. You don't have an opinion on whether or</p> <p>6 not that's a significant increase?</p> <p>7 MR. SWANSON: Object to form.</p> <p>8 BY THE WITNESS:</p> <p>9 A. On the -- as part of the government</p> <p>10 relations, I have opinions about different policy</p> <p>11 issues, different political issues. I have</p> <p>12 opinions on our Safe Medication Disposal Program.</p> <p>13 Strong opinions on it.</p> <p>14 I don't have an opinion because I don't</p> <p>15 have the background or the training or the</p> <p>16 education to comment on that being significant, not</p> <p>17 significant or anything else.</p> <p>18 BY MR. GADDY:</p> <p>19 Q. Okay. Let's turn the page, to paragraph</p> <p>20 8. I think it's on the next page. It says,</p> <p>21 "Notwithstanding the ample guidance available,</p> <p>22 Walgreens has failed to maintain an adequate</p> <p>23 suspicious order reporting system."</p> <p>24 Does that phrase mean anything to you?</p>

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1 A. It does not.  
2 Q. It says, "And as a result, Walgreens has  
3 ignored readily identifiable orders and ordering  
4 patterns that, based on the information available  
5 throughout the Walgreens Corporation, should have  
6 been obvious signs of diversion occurring at,"  
7 again, "Respondent's customer pharmacies."  
8 Do you see that?  
9 A. I see that sentence, yes.  
10 Q. Would you agree that if there was  
11 obvious signs of diversion occurring at Walgreens  
12 pharmacies and that Walgreens wasn't doing anything  
13 about it, that would be inconsistent with the  
14 responsibility that you've testified that Walgreens  
15 has to alleviate opioid abuse, correct?  
16 MR. SWANSON: Object to form.  
17 BY THE WITNESS:  
18 A. So, I've never seen this document before  
19 and I've not seen this paragraph before, so I can't  
20 speak to it. I don't know what 21 CFR of the  
21 Federal Code is. So, I can't offer an opinion on  
22 that one way or the other.  
23 BY MR. GADDY:  
24 Q. Pretend the document is not here. Okay.

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1 A. But you just wanted -- you just read it.  
2 Q. Okay. Well, we're going to do it again.  
3 Pretend the document is not here. I'm  
4 just going to ask you a question. All right.  
5 A. Okay.  
6 Q. If Walgreens Corporation had obvious  
7 signs of diversion of oxycodone pills at its  
8 pharmacies and it didn't do anything about it, that  
9 would be inconsistent with what you testified to as  
10 the responsibility of Walgreens in trying to  
11 alleviate opioid abuse in the country?  
12 MR. SWANSON: Object to form, incomplete  
13 hypothetical, vague, calls for speculation.  
14 BY THE WITNESS:  
15 A. So, I would say that it's another  
16 hypothetical question that I, you know, I don't  
17 know that I can offer an opinion on one way or the  
18 other.  
19 What I can tell you is what I've done  
20 since coming to Walgreens, how that's changed over  
21 the last seven years, and how I've been spending my  
22 time over the last three years in particular as it  
23 relates to safe medication disposal.  
24 BY MR. GADDY:

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1 Q. Okay. Well, and I promise we're going  
2 to talk about that for a little bit in a little bit  
3 down the road here.  
4 But safe medication disposal, you've  
5 been working on that since 2015, 2016ish?  
6 A. Yes.  
7 Q. Okay. Would it be fair to say that that  
8 was the first large-scale project that you were  
9 involved with that would be directly applicable to  
10 the opioid crisis, if someone was to call it that?  
11 MR. SWANSON: Object to form.  
12 BY THE WITNESS:  
13 A. It's -- I know that we had been involved  
14 and weighed in on other public policy issues  
15 related to prescription drug abuse prior to 2015  
16 and '16.  
17 BY MR. GADDY:  
18 Q. My question was was that the first  
19 large-scale project that you were involved in  
20 related to prescription drug abuse?  
21 MR. SWANSON: Him personally?  
22 MR. GADDY: That's what I asked.  
23 MR. SWANSON: I just want to make sure by  
24 "you" you mean him personally.

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1 MR. GADDY: Yes.  
2 BY THE WITNESS:  
3 A. For me personally? That was the first  
4 project that I was in charge of on behalf of  
5 Walgreens or had joint responsibility for related  
6 to prescription drug abuse, yes.  
7 BY MR. GADDY:  
8 Q. Prior to that rollout in 2016, there  
9 weren't any projects that you were in charge of or  
10 had joint responsibility for that were directed to  
11 helping the opioid abuse, prescription drug abuse  
12 in the U.S.?  
13 A. No, I wouldn't agree with that. I was  
14 involved in efforts, legislative as well as  
15 probably regulatory, related to prescription drug  
16 abuse prior to that.  
17 But your question was is this the first  
18 large-scale project, and I responded that it's the  
19 first one I was in charge of or had joint  
20 responsibility for. But it's not the first one I  
21 was involved with it.  
22 Q. What's the earlier one that you would  
23 point to?  
24 A. I can't recall, although I'm fairly

<p>Page 138</p> <p>1 confident that there was different pieces of 2 legislation at the federal level that we weighed in 3 on that related to prescription drug abuse. 4 Q. But nothing that's memorable as you sit 5 here today? 6 A. The only thing that jumps out relates to 7 good faith dispensing and some of the local, state 8 and federal laws around dispensing and the role of 9 the pharmacist in that regard. 10 Q. When did the -- when did Walgreens good 11 faith dispensing program roll out? 12 A. I want to say sometime in the last four 13 or five, six years. 14 Q. You will agree it was after this 15 settlement with the DEA in 2013? 16 MR. SWANSON: Object to form. 17 BY THE WITNESS: 18 A. I don't know that for certain. 19 BY MR. GADDY: 20 Q. Let's go to page 27 of this document, 21 paragraph 12. 22 Do you see that? 23 A. Yes, I see paragraph 12. 24 Q. I want to ask you about several of the</p>	<p>Page 140</p> <p>1 questions within the corporation about what she 2 correctly identified as unusually large orders for 3 Schedule II narcotics placed regularly by several 4 customer pharmacies. Based on the evidence 5 available to DEA, none of these orders were 6 reported to the DEA as suspicious and all appear to 7 have been shipped without any further due diligence 8 to verify their legitimacy." 9 Do you see that? 10 A. I do see that sentence. 11 Q. Do you have any understanding or 12 appreciation whatsoever for laws or regulations 13 regarding suspicious order reporting or due 14 diligence requirements? 15 A. None. 16 Q. If you look at paragraph A, it says, 17 "In January 2011, Jupiter's C-II function manager 18 expressed concern about the enormous volume of 19 30 milligram oxycodone being ordered by three 20 stores," and it lists the stores, it says, 21 "Concluding in an e-mail to the manager of Rx 22 inventory drugstores at Walgreens corporate 23 headquarters in Deerfield, Illinois, that she felt 24 the stores needed 'to justify the large quantity.'"</p>
<p>Page 139</p> <p>1 specific allegations that kind of made the basis 2 for the charges against Walgreens and see whether 3 or not any of those were made -- whether or not you 4 were made aware of any of those. 5 It says, "Respondent's employee with 6 overall responsibility for Schedule II drug 7 operations." 8 Do you know what Schedule II means? 9 A. I don't. I get mixed up between 10 Schedule I and Schedule II. 11 Q. Okay. Okay. You do have an 12 understanding that those are classifications for 13 drugs by the DEA? 14 A. Something to do with that, yes. 15 Q. And that different drugs are scheduled 16 either I through V depending on different 17 properties about them? 18 A. I'm not as familiar with the -- I just 19 actually thought there was two. You have now 20 pointed out there is five. So, you have now 21 exceeded my knowledge on the topic. 22 Q. It says, "Respondent's employee with 23 overall responsibility for Schedule II drug 24 operations, the C-II function manager, raised</p>	<p>Page 141</p> <p>1 Do you see that? 2 A. I see that in the sentence, yes. 3 Q. "With regard to Store No. 3836 in 4 Port Richey, Florida she noted that Respondent had 5 shipped this store 3,271 bottles of 100 count 6 30 milligram oxycodone, which is 327,100 dosage 7 units, in a 40-day period from 12/1/10 to 1/10/10" 8 (sic). 9 Do you see that? 10 A. I do. 11 Q. Do you have an appreciation for that 12 being a significant number of oxycodone pills? 13 MR. SWANSON: Object to form, foundation. 14 BY THE WITNESS: 15 A. I don't have an appreciation. 16 BY MR. GADDY: 17 Q. It goes on to say this caused "her to 18 question 'how can they even house this many 19 bottles.' She then inquired of the same corporate 20 manager, 'How do we go about checking the validity 21 of these orders?'" 22 Do you see that? 23 A. I do see that written, yes. 24 Q. It goes on to say in the next paragraph,</p>

<p style="text-align: right;">Page 142</p> <p>1 "Despite having raised these concerns from the  2 distributor to a supervisor at corporate  3 headquarters, none of these orders were reported as  4 suspicious and there appears to have been no other  5 inquiry conducted into the circumstances of the  6 enormous amount of narcotics being shipped to Store  7 No. 3836 in Port Richey, a town of less than 3,000  8 people in a county with a population of only  9 approximately 475,000."  10 Do you see that?  11 A. I do see that written, yes.  12 Q. If -- and, again, don't focus on the  13 document. But if Walgreens had information that  14 there were that many pills being shipped to a  15 single store in that size of a community over such  16 a short period of time, do you agree that that  17 would be inconsistent with what you've said is  18 Walgreens' responsibility to alleviate opioid abuse  19 in the U.S.?  20 MR. SWANSON: Object to form, foundation,  21 calls for speculation.  22 BY THE WITNESS:  23 A. I don't have enough knowledge of most of  24 what you just read here, and I have now read as</p>	<p style="text-align: right;">Page 144</p> <p>1 this document. You know, I'm the GR guy. Not  2 operations, not pharmacy.  3 BY MR. GADDY:  4 Q. I'm just asking whether or not you have  5 an opinion on whether or not a concern raised by a  6 manager about whether or not a store can actually  7 hold 3,271 bottles of 100 count oxycodone should be  8 taken seriously?  9 MR. SWANSON: Object to form.  10 BY MR. GADDY:  11 Q. If you don't have an opinion, that's  12 fine.  13 A. Yeah, I don't have an opinion one way or  14 the other.  15 Q. Okay. Was this information that was  16 ever provided to you either in that press release  17 that you reviewed back in 2013 or by Walgreens in  18 any form or fashion?  19 A. No. I don't believe so.  20 Q. Turn to page 34. And if you actually  21 look over to the right side of the page, on  22 page 35, do you see that ultimately this document  23 that we have been reading from was signed by  24 Michele Leonhart?</p>
<p style="text-align: right;">Page 143</p> <p>1 well, to have an opinion one way or the other.  2 Q. You have no opinion one way or the other  3 whether that number of dosage units is cause for  4 concern?  5 MR. SWANSON: Object to form, foundation.  6 BY THE WITNESS:  7 A. So, I'm on the government relations  8 team, and we have responsibility to talk about  9 issues of importance to the company with members of  10 Congress and their staff as well as now also our  11 policy development process.  12 I'm not a pharmacist, and I've not been  13 on the operations side of the business. So, I  14 don't have any experience one way or the other on a  15 lot of these terms let alone quantities.  16 BY MR. GADDY:  17 Q. Do you have an opinion one way or the  18 other of whether or not the -- a manager expressing  19 concern over how a store can hold that many bottles  20 of opioids is a concern that should be taken  21 seriously?  22 MR. SWANSON: Object to form, foundation.  23 BY THE WITNESS:  24 A. So, this is the first time I've seen</p>	<p style="text-align: right;">Page 145</p> <p>1 A. Okay.  2 Q. The administrator of the Drug  3 Enforcement Administration.  4 Do you see that?  5 A. I do.  6 Q. Do you have -- did you know who that was  7 prior to just looking at this?  8 A. I did not.  9 Q. Go back to the -- to page 34 and top of  10 the page is a paragraph that starts, "In view of  11 the foregoing."  12 A. Okay.  13 Q. It says, "In view of the foregoing and  14 based on information before the agency as of the  15 issuance of this notice, it is my preliminary  16 finding pursuant to 21 USC 823(f) and 824(a)(4)  17 that Walgreens' continued registration is  18 inconsistent with the public interest."  19 Do you see that?  20 A. I do.  21 Q. It goes on to say that "Under the  22 summarized facts and circumstances described  23 herein, it is my preliminary finding, significantly  24 in light of the rampant and deadly problem of</p>

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1 prescription controlled substance abuse in Florida,  
2 that Respondent's continued registration while  
3 these proceedings are pending constitutes an  
4 imminent danger to the public health and safety."  
5 Do you see that?  
6 A. I do.  
7 Q. If you go down to the next paragraph, do  
8 you see where it says, "Pursuant to certain  
9 statutes and regulations, the special agents and  
10 diversion investigators of the DEA who serve this  
11 order to show cause and immediate suspension  
12 registration are authorized to place under seal or  
13 to remove for safekeeping all controlled substances  
14 that Walgreens possesses pursuant to the  
15 registration which I have herein suspended."  
16 Do you see that?  
17 A. I do.  
18 Q. Okay. Do you have an understanding that  
19 the DEA actually put a padlock and locked up the  
20 controlled substances that Walgreens had in their  
21 warehouse in Jupiter, Florida?  
22 MR. SWANSON: Object to form.  
23 BY THE WITNESS:  
24 A. I do not.

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1 BY MR. GADDY:  
2 Q. In the press release or in any  
3 information given to you by Walgreens back in 2013,  
4 did they communicate to you that the DEA had  
5 determined that Walgreens being registered to  
6 distribute controlled substances was inconsistent  
7 with the public interest?  
8 MR. SWANSON: Object to form.  
9 BY THE WITNESS:  
10 A. I don't believe so.  
11 BY MR. GADDY:  
12 Q. Turn backwards to page 7.  
13 A. Okay.  
14 Q. Do you see under paragraph 3 it says  
15 "Walgreens General Obligations"? Do you see that?  
16 A. Yes.  
17 Q. And --  
18 MR. SWANSON: Sorry. I'm on the wrong 7.  
19 MR. GADDY: Page 7. 7 of 343.  
20 BY MR. GADDY:  
21 Q. Do you see here it's listing Walgreens'  
22 general obligations under the settlement agreement;  
23 you see there is paragraphs A, B and C?  
24 A. I do.

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1 Q. Under C, it says, "Walgreens agrees to  
2 pay the United States \$80 million, ('the Settlement  
3 Amount)."  
4 Do you see that?  
5 A. I do.  
6 Q. Were you aware that as a result of the  
7 allegations that some of which we just went through  
8 that Walgreens made this payment to the DEA?  
9 MR. SWANSON: Object to form.  
10 BY THE WITNESS:  
11 A. I can recall vaguely based on the press  
12 release that there was a settlement that involved  
13 payment to the DEA, but I don't recall the number.  
14 BY MR. GADDY:  
15 Q. Do you agree that \$80 million is a  
16 substantial settlement amount that Walgreens paid?  
17 MR. SWANSON: Object to form.  
18 BY THE WITNESS:  
19 A. So, again, I'm not sure in the context  
20 whether substantial.  
21 BY MR. GADDY:  
22 Q. In any context.  
23 A. In any context?  
24 Q. Don't you think that \$80 million is a

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1 substantial sum of money for a company to pay?  
2 MR. SWANSON: Object to form.  
3 BY THE WITNESS:  
4 A. Can you be more specific?  
5 BY MR. GADDY:  
6 Q. I don't think so.  
7 A. So, you said is 80 million a lot of just  
8 money in general?  
9 Q. I'm asking whether or not you believe  
10 that \$80 million is a significant civil settlement  
11 for Walgreens to pay.  
12 MR. SWANSON: Object to form.  
13 BY THE WITNESS:  
14 A. So, I can't speak to civil -- what was  
15 the term you used?  
16 BY MR. GADDY:  
17 Q. Settlement.  
18 A. Civil settlement. Is that -- I don't  
19 know what if that's different than --  
20 Q. Doesn't mean --  
21 A. -- other settlements.  
22 \$80 million as a stand-alone number is a  
23 lot of money, yes. I can't speak to whether it's a  
24 lot in the context of a civil settlement. I don't



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1 know if that's more or less than has occurred in  
 2 the past or present. But is \$80 million a lot of  
 3 money? I think \$80 million generally is a lot of  
 4 money.  
 5 Q. Would it surprise you to know that it  
 6 was the biggest ever paid at the time?  
 7 MR. SWANSON: Object to form.  
 8 BY THE WITNESS:  
 9 A. I wasn't aware of the number at the  
 10 time. I don't know circumstances.  
 11 MR. SWANSON: Jeff, if you're swapping  
 12 documents, can we take another break, please.  
 13 MR. GADDY: Sure.  
 14 MR. SWANSON: Thank you.  
 15 THE WITNESS: Great.  
 16 THE VIDEOGRAPHER: We are off the record at  
 17 10:50 a.m.  
 18 (WHEREUPON, a recess was had  
 19 from 10:50 to 11:05 a.m.)  
 20 (WHEREUPON, a certain document was  
 21 marked as Walgreens-Kaleta Exhibit  
 22 No. 10: 5/9/18 e-mail string;  
 23 WAGMDL00383697 - 00383700.)  
 24 THE VIDEOGRAPHER: We are back on the record

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1 at 11:06 a.m.  
 2 BY MR. GADDY:  
 3 Q. Mr. Kaleta, I've already put in front of  
 4 you what I've marked as Kaleta 10, which is  
 5 P-WAG-1937, Bates No. 383697.  
 6 You can look at the e-mail if you want,  
 7 but I'll represent to you I'm just giving it to you  
 8 because it's got your resume attached on the back.  
 9 A. Okay.  
 10 Q. And I was going to ask you a couple  
 11 questions about that.  
 12 A. Okay.  
 13 Q. Do you recognize this as being your  
 14 resume that you generated?  
 15 A. Yes.  
 16 Q. And you indicate at the top of the  
 17 page you have been with Walgreens since May of  
 18 2011?  
 19 A. Yes.  
 20 Q. And that position listed there, VP of  
 21 federal government relations and U.S. public  
 22 policy, is that -- that's the accurate position as  
 23 of right now?  
 24 A. So, I started as a senior director. So,

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1 this doesn't reflect my old role that I had from  
 2 2011 until 2015.  
 3 Q. Okay. In 2015, this title became  
 4 accurate?  
 5 A. That's correct.  
 6 Q. Under the "Responsibilities" the first  
 7 bullet point indicates that you "serve as the chief  
 8 lobbyist for federal legislative and regulatory  
 9 issues," correct?  
 10 A. Yes.  
 11 Q. And to be fair, that involves more than  
 12 just issues related to opioids?  
 13 A. Yes, that's correct.  
 14 Q. The third bullet point in the case, you  
 15 "develop and execute U.S. public policy strategy at  
 16 the federal, state and local levels."  
 17 Is that still correct?  
 18 A. Yes.  
 19 Q. And the last bullet point in that  
 20 section indicates that you "manage ten full-time  
 21 employees, nine outside consultants and an annual  
 22 budget of more than \$11 million."  
 23 Do you see that?  
 24 A. Yes.

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1 Q. You told us earlier you would have  
 2 guessed 8 to 10. Do you agree that 11 is a more  
 3 accurate number?  
 4 A. So, there's different portions of the  
 5 budget. Included in that \$11 million is also PAC  
 6 dollars, political action committee. And so that  
 7 is not Walgreens funds. Those are  
 8 employee-collected funds to be used for political  
 9 action purposes. So, I think that's probably where  
 10 the delta would come in.  
 11 Q. Okay. So, if you're estimating 8 to  
 12 \$10 million in Walgreens money, there is another  
 13 1 to \$3 million in Walgreens PAC money that goes  
 14 into your budget?  
 15 A. So, it's -- no. It's a couple hundred  
 16 thousand dollars. In addition, we have at  
 17 different points over the last couple of years, the  
 18 budget will increase depending on what's going on  
 19 with the company.  
 20 My guess and the reason that this  
 21 reflected this higher number was because it  
 22 probably included spending for the national  
 23 political campaigns during the 2016 calendar year.  
 24 Q. Okay. So, that's why when you gave me

<p style="text-align: right;">Page 154</p> <p>1 the budget range, you gave me a range because from  2 year to year it may fluctuate?  3 A. That's correct.  4 Q. Okay. So, would it be fair to say that  5 8 to \$11 million is a fairly accurate range for  6 your department's budget?  7 A. Yes. But just to put a finer point on  8 it. The 8 to 10 or 8 to 11 million also includes  9 state spending. So, that's not just federal and  10 public policy. That also includes state.  11 Q. The Walgreens PAC, is that money that  12 Walgreens solicits and collects from Walgreens  13 employees?  14 A. That's correct.  15 Q. And that -- does that money go anywhere  16 other than into the government relations budget?  17 A. So, that money doesn't even pass through  18 our budget. That money goes directly to candidates  19 running for office or those that are running for  20 reelection.  21 Q. Correct me if I'm wrong, but I thought  22 you told me this morning that this budget, this  23 \$11 million, does not include political  24 contributions?</p>	<p style="text-align: right;">Page 156</p> <p>1 October of 2001, through your time at Humana from  2 '05 to '11, you were constantly in or consistently  3 I should say in government relations or lobbying  4 type positions?  5 A. That's correct.  6 Q. I presume that during your time at  7 Caterpillar you didn't have any involvement in any  8 opioid-related issues?  9 A. I believe that's true, yes.  10 Q. Okay. During your time at Humana from  11 '05 to '11, did you have any -- any items on your  12 legislative agenda or your lobbying agenda that  13 would have been specific to opioids?  14 A. Probably, on a limited basis in that  15 Humana was one of the largest prescription drug  16 plans in the country.  17 When I joined in '05, 2006 was the first  18 year of the Medicare Modernization Act which kicked  19 off the Part D program, so they ended up getting  20 a million plus members after that year. So, it's  21 possible that I was lobbying on some type of opioid  22 issues relating to the Part D benefit and how some  23 of those rules were structured.  24 Q. Is there anything that is memorable to</p>
<p style="text-align: right;">Page 155</p> <p>1 A. Right. So, there is two different types  2 of political contributions. There is corporate  3 contributions, which are made through Walgreens,  4 and those are for state candidates. I don't manage  5 the state political contribution fund. That's not  6 included in this 8 to \$11 million number.  7 For the purposes of my resume, I may  8 have included the PAC number, which is roughly  9 \$250,000 a year. And then, again, as I mentioned,  10 it likely includes the uptick in spend, which is  11 probably somewhere around a million dollars for the  12 2016 Presidential political conventions.  13 Q. And without going into any -- into too  14 terribly much detail, your previous positions were  15 with companies such as Humana, Caterpillar, U.S.  16 Chamber of Commerce and ChamberBiz.  17 Did all those positions involve lobbying  18 activities or government relations activities?  19 A. No, I didn't lobby at all at ChamberBiz  20 from 2000 to 2001, and I served as a lobbyist at  21 various points during the chamber from '95 to 2001  22 but not consistently throughout.  23 Q. Okay. But beginning with your time at  24 Caterpillar, which started it looks like in</p>	<p style="text-align: right;">Page 157</p> <p>1 you as you sit here today?  2 A. No.  3 Q. I show you what I'll mark as Kaleta 11.  4 (WHEREUPON, a certain document was  5 marked as Walgreens-Kaleta Exhibit  6 No. 11: 12/15/15 e-mail string  7 with attachment; WAGMDL00042452 -  8 00042464.)  9 BY MR. GADDY:  10 Q. One of the items that you listed on  11 your resume as being involved in or maybe you  12 listed it as an accomplishment was you talked about  13 your medication kiosks, correct?  14 A. That's correct.  15 Q. So, I want to talk about that a little  16 bit.  17 A. Okay.  18 Q. And this is a program that I think you  19 told us earlier you started working on maybe late  20 2015 and began rolling out in 2016?  21 A. Yes.  22 Q. And would it be accurate to describe the  23 general idea of the program that you were involved  24 with is Walgreens would install a kiosk inside one</p>

<p style="text-align: right;">Page 158</p> <p>1 of the Walgreens pharmacy stores or Walgreens 2 stores where individuals at the store could drop 3 off any unwanted medication into the kiosk to 4 dispose of it? 5 A. Yes. That's -- that's a fair 6 assessment. 7 Q. And there is no limitation on the type 8 of drug that could be put in there or is there? 9 A. So, for pills there are no limitations. 10 The boxes cannot handle sharps, needles, as well as 11 most lotions are not allowed. 12 Q. So, any pills, whether it's an oxycodone 13 pill that you have been talking about a lot today 14 or a Fred Flintstone vitamin, all of that could go 15 into these things? 16 A. That's correct. 17 Q. If we look at this document here, this 18 is P-WAG-1818, which is Bates No. 42452. 19 If you turn to page -- the first 20 page attached, the first page of the attachment is 21 a PowerPoint presentation. It looks like it's from 22 October 2015 presented by Tasha Polster and Brian 23 Arnold. 24 Do you see that?</p>	<p style="text-align: right;">Page 160</p> <p>1 A. Yes. 2 Q. This would have been any -- this would 3 have been the options that Walgreens had in place 4 in October of '15, which would have been prior to 5 these drug kiosks going into place, correct? 6 A. Correct. 7 Q. And what it says here is that Walgreens 8 had a Medsaway pouch located in the diagnostic 9 aisle. 10 Do you see that? 11 A. I do. 12 Q. And it indicates that that pouch could 13 be used for anything, such as narcotics, liquid 14 medications, patches or even controlled substances, 15 correct? 16 A. Correct. 17 Q. And if you go down, you see that 18 Walgreens was selling these Medsaway pouches where 19 patients could dispose of -- 20 A. Excuse me. 21 Q. -- could dispose of their unwanted drugs 22 for \$4, correct? 23 A. Yes. 24 Q. And it indicates there that the cost to</p>
<p style="text-align: right;">Page 159</p> <p>1 A. I do. 2 Q. And do you know whether or not you're 3 familiar with this PowerPoint? 4 A. I didn't create it. I believe I may 5 have seen it before, but I can't say for sure. 6 Q. Okay. If you turn to the second page, 7 the heading is the "Drug Take-Back National Plan." 8 Do you see that? 9 A. Yes. 10 Q. It says, "The ask is to get a decision 11 on which direction to go for a national drug 12 take-back plan. The costs are primarily due to the 13 service fee to have a hazardous waste company haul 14 the discarded medications away each month or any 15 time the kiosk is full." 16 Do you see that? 17 A. I do. 18 Q. And is that consistent with your 19 understanding? 20 A. Yes. 21 Q. And if you flip a couple pages, you get 22 to a slide that says -- flip two pages, you get to 23 a slide that says "Walgreens Solution Today." 24 Do you see that?</p>	<p style="text-align: right;">Page 161</p> <p>1 Walgreens was \$2.25? 2 A. That's what it says, yes. 3 Q. So, in October of 2015 Walgreens was 4 selling a solution to get rid of old drugs, 5 including controlled substances, for a profit? 6 A. So, I'm not familiar with whether that 7 2.25 includes labor costs or not or if that's just 8 actually how much we have to pay for the actual 9 item itself. 10 But I know that typically there is the 11 cost of -- the ingredient cost of a drug, there is 12 the actual cost of an item and then there is the 13 additional cost on top of that for employees, the 14 stores, lights, electricity, security, all that 15 other kind of stuff. What I don't know is whether 16 that is part of that 2.25 or 3.99. 17 Q. What the PowerPoint indicated is that 18 you're selling it for \$4 and it cost you 2.25, 19 correct? 20 MR. SWANSON: Object to form, foundation. 21 BY THE WITNESS: 22 A. So, that's what it -- but, again, I 23 don't know what's included in the 2.25. 24 BY MR. GADDY:</p>

<p style="text-align: right;">Page 162</p> <p>1 Q. Okay. I'm just asking you if that's 2 what's represented in the PowerPoint? 3 A. It says, "Cost." 4 MR. SWANSON: Same objections. 5 BY THE WITNESS: 6 A. Yeah, I'm not sure what's included in 7 the 2.25. My guess is that does not include other 8 associated costs. That's just the actual purchase, 9 transaction price to get this from whoever 10 manufactures it and doesn't include other costs 11 associated with it. 12 BY MR. GADDY: 13 Q. Do you think if you factor in the labor 14 costs that it comes to exactly \$3.99? 15 MR. SWANSON: Object to form. 16 BY THE WITNESS: 17 A. So, I'm in the government relations 18 business. I'm not in the sales pricing team. So I 19 have no idea. 20 BY MR. GADDY: 21 Q. You're not claiming that Walgreens was 22 giving these medication disposal pouches away for 23 free, are you? 24 A. I would not claim that.</p>	<p style="text-align: right;">Page 164</p> <p>1 A. At this moment in time in 2015, that's 2 correct. 3 Q. Okay. If you go back to the e-mail and 4 if you go to the second page and start at the top, 5 do you see the e-mail goes to Brad and Richard? 6 Do you see that? 7 A. I do. 8 Q. It says, "With the cancellation of 9 yesterday's" -- do you know what RxIC means? 10 A. I do. I'm not familiar with what the 11 acronym actually stands for, but I'm familiar with 12 that particular entity within Walgreens. 13 Q. How would you describe it? 14 A. It's a review process for any number of 15 different pharmacy operation-related programs to 16 have discussion around priorities, what gets 17 implemented and executed when, the associated costs 18 with that, et cetera. 19 Q. Is that the organization that would 20 approve spending money for a program such as this? 21 A. Yes. 22 Q. It says, "Attached are two 23 time-sensitive requests we'd like to present for 24 your approval via e-mail."</p>
<p style="text-align: right;">Page 163</p> <p>1 Q. If you turn three pages, you get to a 2 slide that says "Costs of the Kiosk." 3 Do you see that? 4 A. I'm sorry. Which slide are you on? 5 Q. Slide 7. 6 A. Okay. 7 Q. It says, "Costs of the Kiosk." Are you 8 with me? 9 A. "Costs of the Kiosk," yes. 10 Q. And first bullet point says a one-time 11 cost for the unit is just about \$500, right? 12 A. That's what that says. 13 Q. And then in the bottom bullet point it 14 indicates that the estimated service per year per 15 location is approximately \$2,600, correct? 16 A. That's what it says. 17 Q. And if you go to the very next page, it 18 lays out three different options of deploying this 19 program, correct? 20 A. Yes. That's what it looks like. 21 Q. And the different options involve the 22 number of stores that the kiosk would be placed in 23 and the estimated cost to Walgreens for each of 24 those, correct?</p>	<p style="text-align: right;">Page 165</p> <p>1 And the second one is related to the 2 drug take-back program, correct? 3 A. Correct. 4 Q. And the -- under the third bullet point 5 it says, "Option 1 would create the biggest splash 6 in the media and would be the best way to manage 7 the program." 8 Do you see that? 9 A. I do. 10 Q. Were you involved in the program at this 11 point in time as it related to pitching it to the 12 folks with RxIC who would be making these 13 decisions? 14 A. We had input around the regulatory 15 challenges associated with installing safe 16 medication disposal kiosks in the stores as well as 17 discussion around how scaleable we wanted and were 18 able to have this program, in large part because 19 there is a number of different criteria that go 20 into -- did go into and continue to go into whether 21 we have where we put the boxes. 22 Q. My question was whether or not you had 23 any involvement in pitching the program to the 24 folks that would make the decision about whether or</p>

<p style="text-align: right;">Page 166</p> <p>1 not to fund it?</p> <p>2 A. I was not part of the Rx -- the RxIC</p> <p>3 meeting, according to this e-mail, was canceled. I</p> <p>4 didn't draft this e-mail. I don't know that I</p> <p>5 provided input on these different options. I don't</p> <p>6 believe I did.</p> <p>7 Q. Okay. It said, "Option 1 would create</p> <p>8 the biggest splash in the media and would be the</p> <p>9 best way to manage the program. Pharmacy must be</p> <p>10 open in order to have the kiosk available for drop</p> <p>11 off. Otherwise we have to lock it so no intake can</p> <p>12 happen while the pharmacy is closed."</p> <p>13 Do you see that?</p> <p>14 A. Yes.</p> <p>15 Q. And the first option was to put a kiosk</p> <p>16 in each of Walgreens 24-hour stores, correct?</p> <p>17 A. Yes. That's what it says.</p> <p>18 Q. And that would have -- would have</p> <p>19 resulted in approximately 1,500 Walgreens stores</p> <p>20 getting one of these drug take-back kiosks,</p> <p>21 correct?</p> <p>22 A. At that moment at that snapshot in 2015,</p> <p>23 based on estimates of the program, that is correct.</p> <p>24 Those numbers have since been adjusted</p>	<p style="text-align: right;">Page 168</p> <p>1 e-mail there from Brian Arnold to Natasha Polster</p> <p>2 and Jay Jorbin that Option 2 is what was selected</p> <p>3 there, correct?</p> <p>4 A. That's what it says, yes.</p> <p>5 Q. The option of 1,500 stores and</p> <p>6 \$3.8 million in costs was rejected and Option 2 of</p> <p>7 600 stores, 620 stores and \$1.6 million is what was</p> <p>8 selected to go with by this group, correct?</p> <p>9 A. Well, I don't know if I would so far as</p> <p>10 to say that Option 1 was rejected. What that</p> <p>11 e-mail shows is that Option 2 was what was</p> <p>12 approved.</p> <p>13 So, I am aware that there was</p> <p>14 conversations around an initial take-back 1.0 as we</p> <p>15 referred to it internally with the expectation of</p> <p>16 potentially expanding on it, which in fact we have.</p> <p>17 So, I wouldn't agree with the</p> <p>18 classification that Option 1 was denied. Option 1</p> <p>19 was considered and the initial option was to go</p> <p>20 with 2 with an idea of likely expansion.</p> <p>21 Q. Okay. They chose Option 2?</p> <p>22 A. That's what the e-mail says, yes.</p> <p>23 Q. Okay. Would it be accurate to say that</p> <p>24 around the same time that you were working on this</p>
<p style="text-align: right;">Page 167</p> <p>1 significantly.</p> <p>2 Q. Sure. But the proposal that was in</p> <p>3 place at the time for Option 1 was 1,500 stores for</p> <p>4 \$3.8 million?</p> <p>5 A. Based on the limited knowledge we had of</p> <p>6 how much the program was going to cost. These were</p> <p>7 estimates. This had never been done before within</p> <p>8 our company and had only been tried on a very</p> <p>9 limited basis with other -- a handful of smaller</p> <p>10 pharmacies around the country.</p> <p>11 Q. That was the proposal that was -- that</p> <p>12 was made for as far as the first option that was</p> <p>13 presented to this -- this group that would make the</p> <p>14 decisions about funding, correct?</p> <p>15 A. That's what it says. There is Option 1.</p> <p>16 Q. And Option 2 was one kiosk per district.</p> <p>17 So, 600 stores for \$1.6 million, correct?</p> <p>18 A. That's what it says, that's correct.</p> <p>19 Q. Then there was a third option for one</p> <p>20 store per area, 120ish stores, for about \$300,000,</p> <p>21 correct?</p> <p>22 A. That's what it says, correct.</p> <p>23 Q. If you turn back to the first page of</p> <p>24 the e-mail, you see that ultimately in that second</p>	<p style="text-align: right;">Page 169</p> <p>1 project within Walgreens that there were some push</p> <p>2 by some folks in Congress to make these types of</p> <p>3 drug take-back programs mandatory in every</p> <p>4 pharmacy?</p> <p>5 A. It would be accurate to say that there</p> <p>6 was pushes in different parts of the country, at</p> <p>7 the local level, at the state level and on a very</p> <p>8 limited basis at the federal level, yes.</p> <p>9 Q. And Walgreens opposed those efforts,</p> <p>10 correct?</p> <p>11 A. Inaccurate. Walgreens was working with</p> <p>12 and had multiple discussions going on about</p> <p>13 different safe medication or -- excuse me -- about</p> <p>14 different types of take-back programs that were</p> <p>15 considered by legislatures, municipalities as well</p> <p>16 as the Federal Government. Some of them we weighed</p> <p>17 in on opposition to, others we were in support of,</p> <p>18 and others we were just trying to provide feedback.</p> <p>19 Q. I show you what I'm going to mark as</p> <p>20 Kaleta 12.</p> <p>21 (WHEREUPON, a certain document was</p> <p>22 marked as Walgreens-Kaleta Exhibit</p> <p>23 No. 12: 5/6/16 e-mail;</p> <p>24 WAGMDL00615477.)</p>



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1 MR. GADDY: This is P-WAG-1895, Bates  
2 No. 615477.  
3 BY MR. GADDY:  
4 Q. Do you see this is a one-page e-mail  
5 from you to your boss, Chuck Greener, as well as  
6 the other two lobbyists who you said underneath  
7 you, Alethia Jackson and Katie Troller.  
8 Do you see that?  
9 A. I do.  
10 Q. The subject of the e-mail is "Mandatory  
11 Take-Back Amendment."  
12 Do you see that?  
13 A. Yes, I do.  
14 Q. You say, "Chuck, we can discuss more on  
15 Monday but below is an update on the potential  
16 Slaughter amendment to the opioid abuse bills  
17 coming to the House floor this week. Slaughter's  
18 two-page bill mandates take-back in all pharmacies,  
19 but paid for by pharmaceutical companies."  
20 It says, "We are strongly opposed but  
21 are trying to prevent her amendment from being  
22 included."  
23 Do you see that?  
24 A. I do.

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1 Q. I asked you a minute ago if you opposed  
2 mandatory take-backs, and I think your words were  
3 "Absolutely not."  
4 You agree that here in this e-mail you  
5 said you were strongly opposed to her suggestion of  
6 mandatory take-back programs?  
7 MR. SWANSON: Object to form.  
8 BY THE WITNESS:  
9 A. No. So, what you said was, "You opposed  
10 all efforts at mandatory take-back," and I  
11 responded by saying, "That's inaccurate." I didn't  
12 say strongly opposed. I said inaccurate. Can we  
13 read it back?  
14 BY MR. GADDY:  
15 Q. You opposed or Walgreens -- let me ask  
16 it this way.  
17 Walgreens opposed or Walgreens was in  
18 favor of mandatory drug take-back programs?  
19 A. So, that's a vague question. Are you  
20 talking about in California in different  
21 municipalities around the state, are you talking  
22 about in the State of Illinois, or are you talking  
23 about the federal level?  
24 Q. I am talking about was Walgreens in

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1 favor of or opposed to mandatory drug take-back  
2 programs at every pharmacy across the country?  
3 MR. SWANSON: Object to form.  
4 BY THE WITNESS:  
5 A. So, again, you need to be more specific.  
6 There is multiple bills that have been introduced,  
7 debated across the country, in cities and  
8 municipalities and states as well as the Federal  
9 Government. So, I can't answer your question  
10 unless you're more specific.  
11 BY MR. GADDY:  
12 Q. I'm pretty sure I said across the  
13 country.  
14 A. Pardon?  
15 Q. I'm pretty sure I said across the  
16 country.  
17 MR. SWANSON: Object to form.  
18 BY THE WITNESS:  
19 A. Yeah, I'm not in a position and I  
20 wouldn't be really good at my job if I just blanket  
21 statement said we are for or against one phrase or  
22 another.  
23 Obviously the details are significant  
24 and important, and it depends upon which part of

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1 the country. It depends upon what the legislation  
2 does, how it's implemented, who pays for it,  
3 whether it's voluntary in nature, whether subsidies  
4 are provided. So, if you want to get into the  
5 specifics, we can go down that road.  
6 Q. Let's get into this e-mail that you  
7 wrote.  
8 You say here that you are "strongly  
9 opposed but are trying to prevent her amendment  
10 from being included during Rules Committee next  
11 Tuesday night." Correct?  
12 A. That's what the sentence says, that's  
13 correct.  
14 Q. Then it says, "Hence the meetings with  
15 Representative Pete Sessions (Republican from  
16 Texas) and Stefano on Tuesday at noon."  
17 Do you see that?  
18 A. I do.  
19 Q. Who is Stefano?  
20 A. That's a reference to Stefano Pessina,  
21 our executive vice chairman and Chief Operating  
22 Officer.  
23 Q. So, this issue and your strong  
24 opposition to Representative Slaughter's take-back

<p style="text-align: right;">Page 174</p> <p>1 amendment was to the extent that you were having</p> <p>2 the CEO of Walgreens Boots Alliance go and have a</p> <p>3 meeting with a Representative on the issue?</p> <p>4 MR. SWANSON: Object to form.</p> <p>5 BY MR. GADDY:</p> <p>6 Q. True or not?</p> <p>7 MR. SWANSON: Sorry. Object to form.</p> <p>8 BY THE WITNESS:</p> <p>9 A. Can you repeat the question.</p> <p>10 BY MR. GADDY:</p> <p>11 Q. Sure. Your opposition to this bill</p> <p>12 being -- this amendment I should say being offered</p> <p>13 by Congresswoman Louise Slaughter was to the extent</p> <p>14 that you were having the CEO of Walgreens Boots</p> <p>15 Alliance have a meeting with the Congressional -- a</p> <p>16 member of Congress?</p> <p>17 A. We opposed the Slaughter amendment.</p> <p>18 Q. There is no doubt about that, is there?</p> <p>19 A. No. There is no doubt about that.</p> <p>20 Q. In fact, you said you strongly opposed</p> <p>21 the amendment to make drug take-back, her amendment</p> <p>22 that would make drug take-backs mandatory?</p> <p>23 A. That's correct. We strongly opposed the</p> <p>24 amendment for a host of reasons, mostly relating to</p>	<p style="text-align: right;">Page 176</p> <p>1 BY MR. GADDY:</p> <p>2 Q. What's the NACDS?</p> <p>3 A. NACDS is the National Association of</p> <p>4 Chain Drug Stores.</p> <p>5 Q. Is that a trade association that</p> <p>6 Walgreens belongs to?</p> <p>7 A. That is correct.</p> <p>8 Q. Does Walgreens have employees that serve</p> <p>9 on the Policy Council of that trade association?</p> <p>10 A. Yes.</p> <p>11 Q. Does Walgreens have input into policy</p> <p>12 decisions and policy positions of the NACDS?</p> <p>13 A. Yes.</p> <p>14 Q. Do you recognize this as being a -- this</p> <p>15 is P-WAG-1893, Bates No. 615504.</p> <p>16 Do you recognize this being another</p> <p>17 e-mail from you?</p> <p>18 A. I do.</p> <p>19 Q. And it has an attachment and the</p> <p>20 attachment is an NACDS document that says,</p> <p>21 "Programs for Take-Back and Disposal of Consumers'</p> <p>22 Used Medications must be Voluntary."</p> <p>23 Do you see that?</p> <p>24 A. No, I'm sorry. Where are you?</p>
<p style="text-align: right;">Page 175</p> <p>1 safety since we had already now installed roughly a</p> <p>2 couple of hundred take-back boxes at this</p> <p>3 particular time and it was clear based on our</p> <p>4 experience, which is why we were ultimately</p> <p>5 successful, that if you put a box in every single</p> <p>6 store, it would actually create more challenges,</p> <p>7 legal issues and safety concerns than it would</p> <p>8 solve. So, that's why we opposed the Slaughter</p> <p>9 amendment.</p> <p>10 Q. Well, it wasn't just limited to the</p> <p>11 Slaughter amendment. You were opposed to most all</p> <p>12 of the bills that came out that were suggesting the</p> <p>13 drug take-back program should be mandatory?</p> <p>14 MR. SWANSON: Object to form.</p> <p>15 BY THE WITNESS:</p> <p>16 A. That's false.</p> <p>17 BY MR. GADDY:</p> <p>18 Q. I show you what I will mark as Kaleta</p> <p>19 13.</p> <p>20 (WHEREUPON, a certain document was</p> <p>21 marked as Walgreens-Kaleta Exhibit</p> <p>22 No. 13: 5/3/16 e-mail string with</p> <p>23 attachment; WAGMDL00615504 -</p> <p>24 00615509.)</p>	<p style="text-align: right;">Page 177</p> <p>1 Q. I'm on the title of the attachment.</p> <p>2 A. The title of the attachment is "Drug</p> <p>3 Take-Back Programs for Take-Back and Disposal.</p> <p>4 Unused Medications Voluntary." You added a word</p> <p>5 there.</p> <p>6 Q. I'm on page, Bates No. at the bottom</p> <p>7 506.</p> <p>8 A. 506. Oh, you're on the NACDS document.</p> <p>9 "Programs for Take-Back and Disposal of Consumers'</p> <p>10 Used Medications must be Voluntary."</p> <p>11 Yes, that's what that says.</p> <p>12 Q. And that was the position of the NACDS,</p> <p>13 correct?</p> <p>14 A. That was the position of the NACDS.</p> <p>15 Q. And that was a position that Walgreens</p> <p>16 encouraged NACDS to have, correct?</p> <p>17 A. We had input on different policy issues</p> <p>18 that NACDS debates. I can remember and recall</p> <p>19 actually that we weren't quite as strident in our</p> <p>20 language about saying "must be voluntary."</p> <p>21 At this point Walgreens was already</p> <p>22 being recognized as a leader in take-back and</p> <p>23 actually was viewed as more progressive on the</p> <p>24 take-back program and the different options</p>

<p style="text-align: right;">Page 178</p> <p>1 available because of what we had already been up  2 and running with.  3 So, I would agree with the notion that  4 we weighed in with NACDS, but I recall us not being  5 in complete opposition and that everything had to  6 be voluntary.  7 But as trade associations work, they  8 have to try to get consensus among their members,  9 and so I think in the end we agreed to this  10 consensus position.  11 Q. Go back to the first page, please, the  12 e-mail.  13 A. Um-hmm.  14 Q. You say there, "This one pager is  15 interesting, think we should all take a look and  16 give feedback." Correct?  17 You then say, "I pushed NACDS yesterday  18 to contemplate being more aggressive on some of the  19 mandatory take-back bills/regs that are popping."  20 Do you see that?  21 A. I do.  22 Q. In fact, you were encouraging NACDS to  23 be more opposed and more vocal in their opposition  24 against mandatory take-back bills, correct?</p>	<p style="text-align: right;">Page 180</p> <p>1 individually, some that we supported, some that we  2 opposed, and some that we just provided counsel on.  3 Q. Did you often -- did Walgreens often  4 utilize NACDS to take public positions on issues  5 that Walgreens may not want to take public  6 positions on?  7 MR. SWANSON: Object to form.  8 BY THE WITNESS:  9 A. I'm not sure that -- I'd probably answer  10 the question by saying we work with NACDS on a host  11 of issues, and part of the goal of the trade  12 association is try to gain consensus among its  13 members. There are some issues that we felt more  14 strongly about than other members and vice versa.  15 BY MR. GADDY:  16 Q. When you were saying that you pushed  17 NACDS to be more aggressive on some of the  18 mandatory take-back bills, were you encouraging  19 them to support those mandatory take-back bills?  20 A. As I mentioned, it depended. Depended  21 which bills you're talking about. So, you can't  22 paint with a broad brush support or opposition to  23 all bills at the local, state and federal level.  24 Q. I'm asking about the sentence that you</p>
<p style="text-align: right;">Page 179</p> <p>1 MR. SWANSON: Object to form.  2 BY THE WITNESS:  3 A. Incorrect. It actually doesn't say  4 "more aggressive in opposition." It says, "more  5 aggressive." It doesn't say "in opposition." So,  6 there is a significant difference there.  7 The art of lobbying is one that nuance  8 is important and words matter, and so that actually  9 says, "more aggressive." It doesn't say, "more  10 aggressive in opposition to."  11 So, as I mentioned previously, at this  12 point Walgreens had already been recognized as a  13 national leader in the take-back program. So, we  14 had a pretty significant voice in how a lot of the  15 bills were being constructed around the country and  16 so we used that leadership position to try to  17 have -- share our insight and the lessons learned  18 from the different programs.  19 Q. Are you saying that Walgreens was in  20 favor of mandatory drug take-back programs?  21 A. What I said before was that there was  22 any number of different bills that were being  23 debated at the local, the state and the federal  24 level; and we looked at each one of them</p>	<p style="text-align: right;">Page 181</p> <p>1 typed in this e-mail where you said, "I pushed the  2 NACDS yesterday to contemplate being more  3 aggressive on some of the mandatory take-back bills  4 or regs that are popping."  5 What did you mean by that?  6 A. What I meant was we need to be more  7 involved and we need to make sure that we're part  8 of those discussions and conversations, whether  9 it's the local level, the state level or the  10 federal level, because the repercussions of how  11 those bills are structured have an impact to  12 patients, have an impact to take-back, have an  13 impact to the company, have an impact to the safety  14 of our employees.  15 Q. Let me show you what I have marked as  16 Kaleta 15.  17 MR. SWANSON: I missed 14.  18 MR. GADDY: I'm sorry. 14, which is  19 P-WAG-1833, Bates No. 378634.  20 (WHEREUPON, a certain document was  21 marked as Walgreens-Kaleta Exhibit  22 No. 14: 6/13/16 e-mail string with  23 attachments; WAGMDL00378634 -  24 00378639.)</p>

<p style="text-align: right;">Page 182</p> <p>1 BY MR. GADDY:</p> <p>2 Q. Do you see this is an e-mail from Steven</p> <p>3 Gregory, who I think you already told us reports to</p> <p>4 you, correct?</p> <p>5 A. This is an e-mail that looks like it's</p> <p>6 from Steven to a handful of folks.</p> <p>7 Q. And the subject is "NACDS Take-Back</p> <p>8 Policy Strategy - Thoughts?"</p> <p>9 Do you see that?</p> <p>10 A. I do.</p> <p>11 Q. And attached to it, if you turn the</p> <p>12 page, is a confidential NACDS document.</p> <p>13 Do you see that?</p> <p>14 A. I do.</p> <p>15 Q. And it talks about an "Overview of</p> <p>16 Prescription Drug Take-Back and Disposal," correct?</p> <p>17 A. That's the title of the document, yes.</p> <p>18 Q. And if you go down, you see the bullets</p> <p>19 in the middle of the page and just above that it</p> <p>20 says, "NACDS present policy positions are as</p> <p>21 follows."</p> <p>22 Do you see that?</p> <p>23 A. I do.</p> <p>24 Q. And the first policy position is "NACDS</p>	<p style="text-align: right;">Page 184</p> <p>1 like the DEA Drug Take-Back Days that they do from</p> <p>2 time to time?</p> <p>3 A. Yes.</p> <p>4 Q. If you go to the first page of the</p> <p>5 document, the second paragraph says -- this is</p> <p>6 Steven writing. He says, "There isn't anything</p> <p>7 particularly ground-breaking with these policy</p> <p>8 options, nor do we really disagree with any of the</p> <p>9 options."</p> <p>10 Do you see that?</p> <p>11 A. I do.</p> <p>12 Q. He goes on to state, "For us, the</p> <p>13 question is really about whether we, as a company,</p> <p>14 become more public in our opposition to mandatory</p> <p>15 take-back programs."</p> <p>16 Do you see that?</p> <p>17 A. I do.</p> <p>18 Q. Do you agree with what Steven has</p> <p>19 written there that Walgreens as a company was</p> <p>20 opposed to these mandatory drug take-back programs?</p> <p>21 MR. SWANSON: Object to form.</p> <p>22 BY THE WITNESS:</p> <p>23 A. No. I didn't write the e-mail. Steven</p> <p>24 did. And I'm fairly certain I actually responded</p>
<p style="text-align: right;">Page 183</p> <p>1 opposes mandatory take-back programs and supports</p> <p>2 voluntary programs."</p> <p>3 Do you see that?</p> <p>4 A. I do.</p> <p>5 Q. The next sentence indicates that "NACDS</p> <p>6 supports manufacturer-funded patient education</p> <p>7 programs on in-home drug disposal where the</p> <p>8 educational materials are distributed by the</p> <p>9 pharmacies."</p> <p>10 Do you see that?</p> <p>11 A. Yes.</p> <p>12 Q. So the position of NACDS there was that</p> <p>13 the manufacturers should pay for and generate the</p> <p>14 documents but that the pharmacies could hand them</p> <p>15 out?</p> <p>16 A. I believe that's correct, yes.</p> <p>17 Q. And the last bullet point, "NACDS</p> <p>18 supports collaborating with law enforcement for</p> <p>19 periodic regional take-back events to be held off</p> <p>20 site from pharmacies with joint funding from</p> <p>21 manufacturers and pharmacies."</p> <p>22 Do you see that?</p> <p>23 A. Yes.</p> <p>24 Q. And that would be consistent with things</p>	<p style="text-align: right;">Page 185</p> <p>1 back to this in that I didn't wholly agree with</p> <p>2 that second sentence.</p> <p>3 BY MR. GADDY:</p> <p>4 Q. But, nevertheless, that's what the</p> <p>5 member of your team wrote in this e-mail when he</p> <p>6 forwarded this policy statement from NACDS,</p> <p>7 correct?</p> <p>8 A. Is that a question? Are you asking me</p> <p>9 if that's what it says here?</p> <p>10 Q. I'm asking if that's what your team</p> <p>11 member wrote when he forwarded this document?</p> <p>12 A. We have robust discussions and arguments</p> <p>13 day in and day out on various policy issues.</p> <p>14 Sometimes we're aligned when we're reporting back</p> <p>15 up through headquarters and sometimes we're not.</p> <p>16 This may be a situation where Steven was a little</p> <p>17 over his skis.</p> <p>18 Q. Does he represent in this e-mail that</p> <p>19 it's his personal position or that it's the</p> <p>20 company's position?</p> <p>21 MR. SWANSON: Object to form, foundation.</p> <p>22 BY THE WITNESS:</p> <p>23 A. So, this is Steven's e-mail. I didn't</p> <p>24 write it and so...</p>

<p style="text-align: right;">Page 186</p> <p>1 BY MR. GADDY:</p> <p>2 Q. The sentence says, "For us, the question</p> <p>3 is whether we, as a company, became more public in</p> <p>4 our opposition to mandatory take-back programs."</p> <p>5 Is that what he wrote?</p> <p>6 A. That's what this says in the second</p> <p>7 sentence, correct.</p> <p>8 Q. We saw in that earlier document that the</p> <p>9 plan for the drug kiosk rollout was about 620</p> <p>10 pharmacies were -- according to the prognostication</p> <p>11 back in October of 2015, about 620 pharmacies were</p> <p>12 supposed to get a kiosk in the first phase,</p> <p>13 correct?</p> <p>14 A. That was according to Option 1.</p> <p>15 Q. I think Option 1 was about 1,500 kiosks.</p> <p>16 Option 2 was 620 kiosks.</p> <p>17 A. Yes, yes. I'm sorry. You're right.</p> <p>18 Option 1 was the 1,500 and Option 2 was 600.</p> <p>19 Q. It was Option 2 that was chosen, right?</p> <p>20 A. Option 2 was chosen, that's correct.</p> <p>21 Q. Do you -- do you have a -- do you know</p> <p>22 as you sit here today how many Walgreens stores</p> <p>23 actually got kiosks in the first phase of the</p> <p>24 project?</p>	<p style="text-align: right;">Page 188</p> <p>1 box, who unlocks it, how many keys, when it goes on</p> <p>2 the truck, how it gets destroyed.</p> <p>3 So, I can't answer your question about</p> <p>4 the number in phase 1 because phase 1 was something</p> <p>5 that transpired over a number of months, which</p> <p>6 ended up turning quickly into phase 2, which was</p> <p>7 actually referred to as Take-Back 2.0.</p> <p>8 So, what I can tell you is we have 1,107</p> <p>9 boxes in the ground right now, which is far more</p> <p>10 than any other pharmacy in the country, and we're</p> <p>11 going to have 1,500 around the country by the end</p> <p>12 of 2019.</p> <p>13 Q. Same objection to the portion of the</p> <p>14 response that's non-responsive to the question and</p> <p>15 I will ask again.</p> <p>16 Prior to -- I guess if there is a phase</p> <p>17 2 or a Take-Back 2.0, up until that point, how many</p> <p>18 boxes went in the ground? If you don't know, you</p> <p>19 don't know.</p> <p>20 A. So, are you asking as a matter of</p> <p>21 something being bucketed as phase 1 or phase 2 or</p> <p>22 are you asking as a matter of a particular date and</p> <p>23 time?</p> <p>24 Q. I thought I heard you tell me that there</p>
<p style="text-align: right;">Page 187</p> <p>1 A. We currently have 1,107 boxes in the</p> <p>2 ground. We've collected over 500 tons of unused</p> <p>3 medications. We have tripled more than any other</p> <p>4 pharmacy in the country. We have won awards</p> <p>5 nationally from consumer groups, from prescription</p> <p>6 drug monitoring groups. We have been honored in</p> <p>7 states and localities around the country. We will</p> <p>8 be at 1,500 boxes by the end of 2019.</p> <p>9 Q. Okay. I will object to the portion of</p> <p>10 the response that's not responsive to the question.</p> <p>11 What I asked was how many stores got</p> <p>12 boxes in phase 1?</p> <p>13 A. So, it depends what you mean by phase 1.</p> <p>14 Q. Okay.</p> <p>15 A. This timeline, this program was very --</p> <p>16 had to be very flexible based on the DEA, based on</p> <p>17 regulations, based on costs, based on safety.</p> <p>18 After we had installed a handful of boxes, we</p> <p>19 realized there was some safety concerns that we</p> <p>20 hadn't considered prior to that.</p> <p>21 The street value of one of these boxes</p> <p>22 and its contents could easily exceed \$100,000.</p> <p>23 There is extensive regulations with our</p> <p>24 subcontractor Stericycle over who has access to the</p>	<p style="text-align: right;">Page 189</p> <p>1 was a Take-Back 2.0 program. So, I'm asking up</p> <p>2 until that started what would we call -- how many</p> <p>3 boxes went into the ground during the first phase</p> <p>4 of the rollout until you started Take-Back 2.0.</p> <p>5 A. I want to say --</p> <p>6 Q. I am not trying to ask a trick question</p> <p>7 I promise.</p> <p>8 A. Somewhere around 600 is probably what I</p> <p>9 recall.</p> <p>10 Q. Were all of those 600 funded by</p> <p>11 Walgreens?</p> <p>12 A. Yes. In the initial phase they were all</p> <p>13 funded by Walgreens.</p> <p>14 Q. When you -- when Walgreens started to</p> <p>15 implement the Take-Back 2.0 or the second phase of</p> <p>16 the rollout, Walgreens looked to bring on partners</p> <p>17 to share the financial obligation, correct?</p> <p>18 A. That's correct. In addition to sharing</p> <p>19 the financial obligation, the goal was also to try</p> <p>20 to have a broader voice in making folks, patients</p> <p>21 aware of the kiosks, because at the end of the day</p> <p>22 the only way the kiosks work is if people know</p> <p>23 where they are and then have the ability to dispose</p> <p>24 of their unused medications.</p>



<p style="text-align: right;">Page 190</p> <p>1 Q. I am showing you what I've marked as  2 Kaleta 15, which is P-WAG-1847, Bates No. 374710.  3 (WHEREUPON, a certain document was  4 marked as Walgreens-Kaleta Exhibit  5 No. 15: 7/17/17 e-mail string with  6 attachment; WAGMDL00374710 -  7 00374719.)  8 BY MR. GADDY:  9 Q. Do you recognize this as being an e-mail  10 that you're on the recipient line and there is also  11 a PowerPoint attached? Do you see that?  12 A. I do, yes.  13 Q. And your name is actually on the  14 PowerPoint. Did you have any role in putting this  15 together?  16 A. I had a limited role in putting it  17 together. This is actually a Blue Cross Blue  18 Shield document.  19 Q. And Blue Cross Blue Shield is one of the  20 entities that Walgreens partnered with in this  21 second round or what you call here the phase 2  22 rollout of medication disposal sites, correct?  23 A. They are one of the partners that we  24 approached, that's correct.</p>	<p style="text-align: right;">Page 192</p> <p>1 A. That's what it says, correct.  2 Q. Goes on to say that "The epidemic is  3 most concentrated in rural Appalachia, New England  4 and the Midwest."  5 Do you see that?  6 A. I do.  7 Q. And it also includes a -- it looks like  8 a map from the CDC over on the left-hand side of  9 the page that has kind of a color-coded indication  10 of where overdose deaths are most concentrated,  11 correct?  12 A. Yes.  13 Q. And the area that's indicated on that  14 map that was included in this PowerPoint that you  15 were listed on includes Ohio, West Virginia and  16 Kentucky as some of the hardest hit areas by opioid  17 overdose deaths, correct?  18 A. So, yeah, I'll just reiterate, I didn't  19 put the deck together.  20 But to answer your question, it appears  21 that, yes, this CDC-referenced chart is showing  22 higher adjusted death rates in the four or five  23 states you just mentioned.  24 Q. And if we turn about three pages to</p>
<p style="text-align: right;">Page 191</p> <p>1 Q. And who was the audience for this  2 particular PowerPoint?  3 A. Blues plans around the country.  4 Q. That would be state insurance plans?  5 A. Yes, state Blue Cross Blue Shield  6 insurance plans around the country that were  7 members of the Blue Cross Blue Shield Association.  8 Q. So, to help me understand it, there is a  9 national like a parent Blue Cross Blue Shield  10 Association and then each state has their own  11 individual plan?  12 A. Yes.  13 Q. If you turn to the second page of the  14 PowerPoint, the slide is entitled "Opioid Deaths in  15 2015."  16 A. Yes.  17 Q. Do you see that?  18 A. I do.  19 Q. It says on the right-hand side of the  20 page, "In 2015, there was one overdose death every  21 ten minutes in America, two-thirds of which were  22 from opioids including prescription painkillers and  23 heroin."  24 Correct?</p>	<p style="text-align: right;">Page 193</p> <p>1 Bates number that ends 715 we get to a slide that  2 says, "BCBS Walgreens - Safe Medication Disposal."  3 This is going to be slide 5.  4 Do you see that?  5 A. Yes.  6 Q. Okay. And underneath there it says,  7 "BCBSA and participating BCBS plans shall partner  8 with Walgreens on the second phase rollout of the  9 Safe Medication Disposal Program."  10 Do you see that?  11 A. Yes.  12 Q. And there you say that you have  13 collected over 72 tons of medication in 600 stores  14 from these disposal kiosks, correct?  15 A. Correct.  16 Q. That 72 tons, you're not telling us that  17 that's all opioids, are you?  18 A. Well, no, it doesn't say that. It says  19 72 tons of medications.  20 Q. So, that includes any and all types of  21 medications?  22 A. It may. It's actually against -- it's  23 against the law by DEA regs to open up a bag of  24 unused medications in a box. So, we don't know the</p>

<p style="text-align: right;">Page 194</p> <p>1 answer.</p> <p>2 Q. At the bottom there is it looks like</p> <p>3 there is two columns, one is "National PR</p> <p>4 Partnership" and the one on the right is the "Local</p> <p>5 Kiosk Sponsorship."</p> <p>6 Do you see that?</p> <p>7 A. I do.</p> <p>8 Q. On the left-hand side for the "National</p> <p>9 PR Partnership" it says there will be a sponsor --</p> <p>10 excuse me -- "Partnership between BCBSA and</p> <p>11 Walgreens to fund national co-branded awareness</p> <p>12 campaigns."</p> <p>13 Do you see that?</p> <p>14 A. I do.</p> <p>15 Q. Is that what you were referencing</p> <p>16 earlier as far as you got to tell people about the</p> <p>17 boxes if you want people to use the boxes?</p> <p>18 A. That's correct.</p> <p>19 Q. If you look on the right-hand side of</p> <p>20 the page with the "Local Kiosk Sponsorships," this</p> <p>21 says that "BCBS plans have the opportunity to</p> <p>22 participate in the program by sponsoring new and/or</p> <p>23 existing kiosks."</p> <p>24 Do you see that?</p>	<p style="text-align: right;">Page 196</p> <p>1 Correct?</p> <p>2 A. Yes.</p> <p>3 Q. If you go down to the bottom of the</p> <p>4 page, you see the amounts that the local plans can</p> <p>5 spend to sponsor their kiosk in their local areas,</p> <p>6 correct?</p> <p>7 A. Yes, and this is an interesting slide</p> <p>8 because it actually shows the adjusted cost of each</p> <p>9 kiosk per year compared to when we were still in</p> <p>10 the planning stages back in 2015.</p> <p>11 Q. Is it -- let's explore that a little</p> <p>12 bit.</p> <p>13 Is it your testimony that a -- that</p> <p>14 these figures here indicate the actual costs of the</p> <p>15 boxes?</p> <p>16 A. That -- yes. Well, so, this is two</p> <p>17 things. This is the cost of the box in order for a</p> <p>18 Blue's plan to sponsor it per year.</p> <p>19 Q. Okay. So, what it indicates here is</p> <p>20 that if one of the local Blues plans wants to</p> <p>21 sponsor a kiosk, that it would cost them \$6,000 per</p> <p>22 kiosk per year, correct?</p> <p>23 A. For a new kiosk that just had the Blue</p> <p>24 Cross Blue Shield sticker, for lack of a better way</p>
<p style="text-align: right;">Page 195</p> <p>1 A. I do.</p> <p>2 Q. Is that talking about the local</p> <p>3 state-based plans?</p> <p>4 A. Yes. So, the individual state plans</p> <p>5 could sponsor new or existing kiosks separate and</p> <p>6 distinct from our partnership with the Blue Cross</p> <p>7 Blue Shield trade association.</p> <p>8 Q. If we turn to slide 8, the title is</p> <p>9 "BCBS Walgreens - Safe Medication Disposal."</p> <p>10 Do you see that?</p> <p>11 A. I do.</p> <p>12 MR. GADDY: I'm actually on the next page,</p> <p>13 Corey. There we go.</p> <p>14 BY MR. GADDY:</p> <p>15 Q. Do you see there in the top box it</p> <p>16 indicates that Blue Cross Blue Shield America will</p> <p>17 contribute \$200,000 towards the national public</p> <p>18 relations partnership.</p> <p>19 Do you see that?</p> <p>20 A. I do.</p> <p>21 Q. And then at the bottom sentence of that</p> <p>22 first paragraph, it says, "Prime Therapeutics has</p> <p>23 also agreed to contribute \$100,000 as the national</p> <p>24 PBM sponsor of the program."</p>	<p style="text-align: right;">Page 197</p> <p>1 of saying it, and not to have it be both Walgreens</p> <p>2 and Blue Cross Blue Shield.</p> <p>3 Q. These boxes are in Walgreens stores,</p> <p>4 correct?</p> <p>5 A. That's correct.</p> <p>6 Q. Okay. But for the box that's in the</p> <p>7 Walgreens store to only have a Blue Cross Blue</p> <p>8 Shield on it, it would cost the plan \$6,000 per</p> <p>9 year?</p> <p>10 A. Correct.</p> <p>11 Q. Okay. And we saw in that earlier</p> <p>12 document that the estimated cost of the boxes per</p> <p>13 year was \$2,600, right?</p> <p>14 A. "Estimated" being the operative word.</p> <p>15 So, what ended up happening is we had incredible</p> <p>16 success with the kiosks and in a number of</p> <p>17 locations the pickup had to be increased from once</p> <p>18 a month to in some cases twice a month and in some</p> <p>19 cases per week.</p> <p>20 So, in addition to the actual price of</p> <p>21 the kiosks, what's also baked into that number is</p> <p>22 the Stericycle contract monthly number to pick them</p> <p>23 up.</p> <p>24 So, what we ended up finding out is</p>

<p style="text-align: right;">Page 198</p> <p>1 while there was a static cost associated with the  2 box, based on the pickup rates, that's where the  3 annual number got a lot higher than we had  4 anticipated.  5 Q. 500 bucks for the box didn't change?  6 A. More or less that sounds right.  7 Q. Okay. Well, what changed was whether it  8 was --  9 A. Frequency.  10 Q. -- \$2,100 a year or more --  11 A. That's correct.  12 Q. -- to have the hazardous waste come and  13 be picked up, correct?  14 A. Yes.  15 Q. Obviously that varied on location,  16 population that the Walgreens store served?  17 A. Yes. I mean, yeah, it varied -- I think  18 the answer to your question is yes.  19 Q. Is it your testimony that the costs per  20 store for a kiosk was \$6,000 per year?  21 A. Actual cost?  22 Q. Correct.  23 A. It's my testimony that actual cost, that  24 was probably on the low side. But I -- yes. It's</p>	<p style="text-align: right;">Page 200</p> <p>1 A. I don't know that I can say  2 definitively.  3 Q. Okay. But, regardless, that was the  4 amount that Walgreens was charging individual plans  5 if they wanted to exclusively sponsor a kiosk?  6 A. That's correct.  7 Q. If they agreed to have a Walgreens  8 sticker on the box with their Blue Cross sticker,  9 they only paid \$3,000, correct?  10 A. That's correct.  11 Q. If the price had stayed in the area of  12 \$2,600, you agree there would be a significant  13 profit margin that Walgreens would be making on the  14 \$6,000 per year sponsorship plan, correct?  15 A. No.  16 Q. 6,000 is a lot more than 2,600, right?  17 A. Your math is good, but the answer is no  18 because, as I just mentioned, there is a whole  19 number of different variable costs that were not  20 considered as part of the initial phase 1  21 consideration on the 2,500.  22 This is a money-losing operation. I  23 have made myself infamous inside Walgreens for  24 coming up, helping to promote a program that is</p>
<p style="text-align: right;">Page 199</p> <p>1 probably on the low side.  2 Q. \$6,000 is on the low side?  3 A. I'm not sure that it was all-inclusive.  4 Again, what this number doesn't take into  5 account -- it does take into account the cost of  6 the box. It does take into account the Stericycle  7 contract. What it doesn't take into account is the  8 labor costs for Walgreens store manager and  9 pharmacy manager to be maintaining the box,  10 unloading it and helping Stericycle put it on the  11 truck.  12 So, there is unassociated costs, and  13 this goes back to what we discussed earlier, that  14 just weren't considered at the time when we  15 initially threw out the \$2,500 number. I think  16 that's what you had mentioned on the previous  17 documents that we had reviewed.  18 Q. My question is whether or not you're  19 testifying that these kiosks cost \$6,000 per store  20 to maintain?  21 MR. SWANSON: Object to form.  22 BY MR. GADDY:  23 Q. And if you don't know, you don't know,  24 but...</p>	<p style="text-align: right;">Page 201</p> <p>1 costing us millions of dollars a year, far more  2 than we had ever anticipated.  3 But I think there is also complete  4 acknowledgment that this is the right thing for us  5 to do to help combat what's going on with unused  6 medications.  7 But to suggest that there is a profit in  8 here is not accurate at all. As a matter of fact,  9 the White House drug czar Michael Botticelli when  10 we dropped our first box in Washington D.C. on  11 March 16, he said to Richard Ashworth, who was our  12 president at the time, "This is probably great for  13 foot traffic and would help increase your profit."  14 And Richard chuckled and said, "I can  15 guarantee you that the last thing these boxes are  16 going to do is help us make more money, but we  17 believe this is the right thing for pharmacy to do  18 to help with getting unused medications out of the  19 hands of any number of different individuals."  20 Q. Is that it?  21 A. That's it.  22 Q. Again, I'll object to the extent that  23 the response to the question was not responsive to  24 what was asked.</p>

<p style="text-align: right;">Page 202</p> <p>1 Whether or not these kiosks drove  2 business was actually something you looked at and  3 looked into, isn't it?  4 A. No. I didn't.  5 Q. Would it surprise you if somebody at  6 Walgreens did?  7 A. I'm not sure I have an opinion on that  8 one way or the other. I'm not familiar with that.  9 Q. I'm going to show you what I will mark  10 as Kaleta 16, which is P-WAG-1865.  11 (WHEREUPON, a certain document was  12 marked as Walgreens-Kaleta Exhibit  13 No. 16: 4/9/18 e-mail string with  14 attachment; WAGMDL00315889 -  15 00315903).  16 BY MR. GADDY:  17 Q. Do you see at the top this is an e-mail  18 from Eric Stahmann to Natasha Polster and the  19 subject is "Kiosk Questions."  20 Do you see that?  21 A. Eric Stahmann, yes.  22 Q. Sorry. Eric Stahmann. The subject is  23 "Kiosk Questions."  24 Do you see that?</p>	<p style="text-align: right;">Page 204</p> <p>1 marked as Walgreens-Kaleta Exhibit  2 No. 17: 6/19/17 e-mail string;  3 WAGMDL00612155 - 00612157.)  4 BY MR. GADDY:  5 Q. Bates No. 612155. Do you recognize this  6 as being an e-mail from you with the subject line  7 "Walgreens-BCBSA Strategic Partnership Agreement"?  8 A. I do.  9 Q. And what I'm going to specifically ask  10 you about are the bullet points under the heading  11 "Update" in your e-mail there.  12 Do you see that?  13 A. I do.  14 Q. And this was an e-mail that you sent to  15 Alex Gourlay, the Chief Operating Officer at  16 Walgreens?  17 A. Along with a number of others, yes.  18 Q. And you copied your boss Chuck Greener  19 on there?  20 A. I did.  21 Q. And also Casey Cesnovar, who is in  22 charge of the state government relations?  23 A. Yes.  24 Q. You wrote, "Attached is a Strategic</p>
<p style="text-align: right;">Page 203</p> <p>1 A. I do.  2 Q. And down in the e-mail before that you  3 see it's an e-mail from Natasha Polster to Eric and  4 she asks, "Also, there was an ask to have insights  5 to do something around whether or not the  6 medication kiosk is a driver to get patients in the  7 store. We need to discuss how to do that. Let's  8 connect today if possible."  9 Do you see that?  10 A. I do.  11 Q. Did anybody from Tasha's group or Eric's  12 group or anybody else ever tell you that they were  13 talking about using the medication kiosk as a  14 driver to get patients into the store?  15 A. No.  16 Q. The sponsorships that you obtained to  17 help fund this program from Blue Cross Blue Shield  18 and Prime Therapeutics were not the only  19 sponsorships that you obtained or helped Walgreens  20 obtain to pay for this program, correct?  21 A. Correct.  22 Q. I will show you what I will mark as  23 Kaleta 17, which is P-WAG-1906.  24 (WHEREUPON, a certain document was</p>	<p style="text-align: right;">Page 205</p> <p>1 Partnership Agreement with Blue Cross Blue Shield  2 and Walgreens." It says, "Highlights will include:  3 BCBSA will pay Walgreens \$200,000 as a national  4 partner in our Take-Back 2 program."  5 Do you see that?  6 A. Yes.  7 Q. And that's what we looked at in that  8 PowerPoint just a minute ago, correct?  9 A. Yes.  10 Q. It goes on to say in the next bullet  11 point that Prime Therapeutics will pay \$100,000,  12 correct?  13 A. Yes, it does.  14 Q. And then "BCBSA will continue to work  15 with" I assume you meant Blue Cross Blue Shield  16 "state plans for them to brand or co-brand  17 take-back boxes at specific" -- "at a specific cost  18 for a two-year commitment."  19 Correct?  20 A. Yes.  21 Q. Goes on to say in the next bullet point  22 that "Funding from the state plans," you're talking  23 about the Blue Cross plans, correct?  24 A. Yes.</p>

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1 Q. -- "will likely exceed \$700,000,  
 2 bringing the total commitment of Blue Cross, Prime  
 3 and State plans to over a million dollars."  
 4 Correct?  
 5 A. Correct.  
 6 Q. Goes on to say, "This is in addition to  
 7 the \$1 million commitment by AmerisourceBergen."  
 8 Correct?  
 9 A. Yes.  
 10 Q. Finally you say, "We are talking to  
 11 Purdue Pharmaceuticals to serve" -- I think you are  
 12 saying for them "to serve as the pharma partner."  
 13 MR. SWANSON: Don't write on the exhibits.  
 14 THE WITNESS: Oops.  
 15 MR. GADDY: Forgiven.  
 16 THE WITNESS: Can I have paper to write on?  
 17 MR. GADDY: I got a sticky note if you want  
 18 that.  
 19 THE WITNESS: Yeah, that's cool. Thanks.  
 20 Okay.  
 21 BY MR. GADDY:  
 22 Q. Did those talks with Purdue  
 23 Pharmaceutical ever pan out?  
 24 A. No.

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1 Q. Did Purdue ever give you any money for  
 2 the drug take-back program?  
 3 A. No.  
 4 Q. So, at this point in time you're at  
 5 approximately \$2 million that you've managed to  
 6 bring in from other entities to help fund this drug  
 7 take-back program, correct?  
 8 A. That's roughly accurate, yes.  
 9 Q. Okay. I will show you what I'll mark as  
 10 Kaleta 18, which is going to be P-WAG-1983, Bates  
 11 No. 595580.  
 12 (WHEREUPON, a certain document was  
 13 marked as Walgreens-Kaleta Exhibit  
 14 No. 18: 9/6/17 e-mail string;  
 15 WAGMDL00595580 - 00595586.)  
 16 BY MR. GADDY:  
 17 Q. Do you recognize this as being another  
 18 e-mail from you, the subject line being "Walgreens  
 19 Partnership Agreement"?  
 20 A. Yes.  
 21 Q. And below that it looks like you  
 22 forwarded this e-mail on to several folks, Ron  
 23 Lundeen and Kristina Raymond.  
 24 Do you see that?

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1 A. Yes.  
 2 Q. Who are they?  
 3 A. They're in our legal division.  
 4 Q. And we see below the e-mail that you  
 5 forwarded to them, correct?  
 6 A. Yes.  
 7 Q. And it was an e-mail between you and an  
 8 individual Ken Cole who is with Pfizer, correct?  
 9 A. Yes.  
 10 Q. And you had mentioned in that last  
 11 document that you were talking to Purdue Pharma  
 12 about them being the pharma partner as far as the  
 13 take-back program was concerned.  
 14 Did you end up striking a deal with  
 15 Pfizer?  
 16 A. We did end up striking a deal with  
 17 Pfizer.  
 18 Q. And if you turn to the second page of  
 19 this document, look under paragraph B at the top of  
 20 the page.  
 21 A. Yes.  
 22 Q. Does this contract, which admittedly is  
 23 still in draft form here, indicate that Pfizer was  
 24 going to provide Walgreens with \$1 million?

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1 A. Yes. This is not the executed contract,  
 2 but that is what we -- what we agreed to.  
 3 Q. And that's the ultimate amount that  
 4 Pfizer ended up supplying to Walgreens?  
 5 A. That's correct.  
 6 Q. So, we're now roughly at \$3 million that  
 7 you've been able to bring in of outside funds to  
 8 support the effort of Walgreens to put these kiosks  
 9 in stores, correct?  
 10 A. That's correct.  
 11 Q. Tell me if I'm wrong, but I believe I  
 12 saw in your resume a reference to the fact that you  
 13 had secured \$3-1/2 million for this effort, is that  
 14 correct?  
 15 A. That is correct.  
 16 Q. So, over and above what we've already  
 17 talked about, the 200,000 from Blue Cross, the  
 18 100,000 from Prime, the 700,000 from the local Blue  
 19 Cross plans, the million from AmerisourceBergen and  
 20 the million from Pfizer, there was another 500,000  
 21 out there that you were able to bring in to use to  
 22 pay for these drug take-back kiosks, correct?  
 23 A. Yes.  
 24 Q. Do you remember who that came from?



<p style="text-align: right;">Page 210</p> <p>1 A. Where did the additional money come          2 from? State Blues plans I believe.          3 Q. The state Blues plans ended up giving          4 you about \$1.2 million, roughly?          5 A. That sounds about right.          6 Q. Okay. Let me show you what I'm going to          7 mark as Kaleta 19. It's P-WAG-1984, Bates          8 No. 591948.          9 (WHEREUPON, a certain document was          10 marked as Walgreens-Kaleta Exhibit          11 No. 19: 1/17/18 e-mail string with          12 attachment; WAGMDL00591948 -          13 00591951.)          14 BY MR. GADDY:          15 Q. Do you recognize this as being an e-mail          16 from Eric Stahmann to you and Casey with the          17 subject line being "Rx Kiosk Take-Back Program RFQ          18 results"?          19 A. Yes.          20 Q. Earlier today you had referenced          21 Stericycle. That's the vendor that you used to          22 empty out your drug kiosks, correct?          23 A. Yes. In addition to emptying it, they          24 also dispose of it.</p>	<p style="text-align: right;">Page 212</p> <p>1 A. I don't.          2 Q. Okay. Do you know who Svetlana is?          3 A. I'm aware of her name. I think I've          4 been on a call or two with her.          5 Q. Did you know that there was a time          6 wherein Stericycle was having to rebid to continue          7 to be the vendor that would provide the services          8 you just indicated they provide?          9 A. I was aware of that, yes.          10 Q. Turn to the attachment which is going to          11 be -- the Bates number at the bottom is going to be          12 950. "Group Procurement Commercial Approval          13 Document" is what it says at the top of the page.          14 Do you see that?          15 A. I do.          16 Q. And it says the project description in          17 the top left is "Retail pharmacy USA - Rx kiosk          18 Take-back 2.0 rollout."          19 Do you see that?          20 A. Yes, I do.          21 Q. And this is consistent with the          22 Take-back 2.0 rollout we've been talking about          23 where you were going around and collecting          24 contributions from different entities, different</p>
<p style="text-align: right;">Page 211</p> <p>1 Q. Correct. Thank you.          2 Do you see in the e-mail from Eric, he          3 says, writing to you and Casey, "Hello. Just an          4 update. Stericycle submitted their one-year term          5 bid for the expansion last night. Svetlana will be          6 presenting this to Jim today at 3:15 for approval."          7 Do you see that?          8 A. Yes.          9 Q. And is this similar to the process we          10 looked at earlier, similar to where you were trying          11 to get initial -- not you, but where Tasha was          12 trying to get initial approval for this program and          13 she had to go in front of the RxIC board?          14 A. I don't know the answer to that.          15 This -- I'm on this e-mail. I'm not -- I don't          16 remember reading this. But obviously I'm cc'd on          17 it.          18 Q. I think it's to you, right?          19 A. It's to me, Casey, Phil and Anita. But          20 I don't see any reference to RxIC.          21 Q. Okay. That's fair.          22 When she says -- I'm sorry. When Eric          23 says that "Svetlana will be presenting this to Jim          24 today," do you know who Jim is?</p>	<p style="text-align: right;">Page 213</p> <p>1 pharmaceutical entities, correct?          2 A. Yes.          3 Q. And it goes on to say in the right side          4 of the page it says the recommended supplier is          5 Stericycle. The contract value is \$1.7 million to          6 pay them to serve as the vendor for a year,          7 correct?          8 MR. SWANSON: Object to form.          9 BY THE WITNESS:          10 A. You've lost me now.          11 BY MR. GADDY:          12 Q. Sorry. Right-hand column. Top, still          13 top of the page. It's highlighted up on the screen          14 if you want to look over there, too.          15 A. So, again, I'll just reiterate that I          16 was on this e-mail. I've never read this          17 particular contract. I probably glanced at the          18 e-mail and realized it was something that I didn't          19 have a ton of expertise in.          20 So, with that in mind, you're asking me          21 if it says recommended supplier and it says a total          22 contract value and it says 1.7, is that the          23 question?          24 Q. Correct.</p>

<p style="text-align: right;">Page 214</p> <p>1 A. Yeah, the answer to that is that is what  2 it says up there, correct.  3 Q. And maybe I should have made this clear  4 earlier because I was asking you questions about  5 sponsorship amounts and the cost of the kiosk.  6 The negotiating the contract with  7 Stericycle and in looking into the costs that were  8 associated with the kiosk, was that something that  9 you were specializing in or something that other  10 folks at Walgreens had the nitty-gritty details on?  11 A. Can you repeat the question?  12 Q. Sure. You indicated that you got this  13 e-mail, but I think you said you probably didn't  14 read it or if you did, you didn't spend too much  15 time on it because it wasn't really in your  16 expertise, right?  17 A. Correct.  18 Q. And earlier we were looking at your  19 PowerPoint presentation that talked about the  20 different amounts that local plans could pay to  21 sponsor or co-sponsor a kiosk, right?  22 A. We were looking at a Blue Cross Blue  23 Shield PowerPoint that they put together that my  24 name appeared on.</p>	<p style="text-align: right;">Page 216</p> <p>1 were more in charge of that area?  2 MR. SWANSON: Object to form.  3 BY THE WITNESS:  4 A. It depends.  5 BY MR. GADDY:  6 Q. On what?  7 A. Well, it depends on a number of factors.  8 So, early on, at the outset of this program, as I  9 mentioned, there was variable costs that were tied  10 to what it would -- how it would impact financially  11 in terms of obtaining a box, dropping the box.  12 So, to be clear, the 495 was to buy the  13 box. There was then installation costs. There is  14 then the Stericycle cost. There is then the labor  15 cost for our employees.  16 And then part of the other reason that  17 we wanted to raise additional money was to in fact  18 then talk about the program. So, part of the  19 moneys that were raised as part of that 3.5 million  20 were actually spent as part of the national  21 release, which we did back in October of 2017.  22 So, I think that's why I am trying to  23 kind of break down your question a little bit more.  24 There is a lot of different costs associated with</p>
<p style="text-align: right;">Page 215</p> <p>1 Q. Okay. Your name was on the first slide?  2 A. It was.  3 Q. Okay. You recall we looked at that, and  4 that had some sponsorship amounts to either sponsor  5 or co-sponsor a kiosk, correct?  6 A. Correct.  7 Q. And I was asking you some questions  8 about the costs to maintain a kiosk, the cost to  9 put it in a store, and costs related to Stericycle.  10 And do you recall that general conversation?  11 A. I do.  12 Q. Okay. Would you agree that or -- not  13 would you agree. Strike that.  14 Were you the person that would have been  15 in charge and had the most knowledge on the costs  16 of the kiosk and maintaining the kiosk and the  17 contractual relationships with vendors such as  18 Stericycle or were there other folks at Walgreens  19 who were more in charge of that aspect?  20 A. The latter.  21 Q. Okay. So, would you defer on issues  22 related to costs of the kiosk and values of  23 contracts with vendors and the ultimate cost to  24 Walgreens, would you defer on that to folks that</p>	<p style="text-align: right;">Page 217</p> <p>1 this program, some of which I've been very familiar  2 with over the course of the last two and a half  3 years and have tracked closely, others that other  4 people are more involved in. But it really varies.  5 Q. As far as the overall cost picture and  6 having expertise in all of the costs associated  7 with the program, would you agree that it's  8 somebody else who has that expertise?  9 A. I would -- I would say that this is a --  10 this is a complicated program that required and  11 continues to require the coordination of many  12 different business units at Walgreens, which is  13 part of the reason that we're so proud of its  14 success.  15 I don't know that there is any one  16 individual that would be an expert on all costs  17 associated with the program. Eric Stahmann and  18 other folks would not be familiar with costs  19 related to getting the program off the ground,  20 efforts around highlighting the expansion of the  21 program to additional 750. They wouldn't be  22 familiar with a lot of the travel costs associated  23 with all of the events we've done around the  24 country.</p>

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1 Similarly, I don't know the ins and outs  
2 of how the Stericycle contract actually works in  
3 terms of pickups and all that other kind of stuff.  
4 I'm just the GR guy.  
5 Q. Sure. So, let me ask you. Did you know  
6 the value of the Stericycle contract until we just  
7 looked at it right here?  
8 A. I did not.  
9 Q. So, you have an understanding of some of  
10 the costs, but you certainly don't have an  
11 understanding of all of the costs associated with  
12 the project?  
13 MR. SWANSON: Object to form.  
14 BY THE WITNESS:  
15 A. I think that I have an understanding of  
16 some of the costs involved with this program and  
17 have had exposure to most of the costs at some  
18 point over the last couple of years.  
19 BY MR. GADDY:  
20 Q. Under the "Background and Context"  
21 section it says, "To help combat opioid epidemic,  
22 Walgreens partnered with our incumbent service  
23 provider Stericycle to install 604 safe medication  
24 kiosks in 45 states including Washington, D.C.

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1 beginning in May of 2016."  
2 Do you see that?  
3 A. I do.  
4 Q. And I think I had asked you how many do  
5 you think you had gotten into the first phase. I  
6 think you said about 600. Is that consistent with  
7 your memory, 604?  
8 A. Yes.  
9 Q. It goes on to say, "In the first 18  
10 months the program customers visited these  
11 locations depositing 155 tons of unwanted  
12 medications."  
13 Correct?  
14 A. Yes, that's what it says.  
15 Q. Next paragraph, it says, "Going forward,  
16 Walgreens is partnering with leading peer health  
17 organizations, AmerisourceBergen, Blue Cross Blue  
18 Shield Association, Pfizer and Prime Therapeutics  
19 to help fund an expansion of program titled  
20 Takeback 2 to an additional 900 Walgreens stores."  
21 Do you see that?  
22 A. Yes.  
23 Q. Skip a few sentences, you see there is a  
24 sentence that begins "Cost impact." Do you see

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1 that?  
2 A. I do.  
3 Q. It says, "Cost impact of this expansion  
4 will be net neutral to the fiscal year 18 P & L and  
5 ongoing costs for fiscal year 19 as the  
6 organizations committed \$3 million to support  
7 Takeback 2.0."  
8 Do you see that?  
9 A. Yes.  
10 Q. As far as Walgreens was concerned, when  
11 they were getting the approval of this contract,  
12 the renewal of Stericycle, they were expecting the  
13 cost impact of this program to be neutral, correct?  
14 MR. SWANSON: Object to form.  
15 BY THE WITNESS:  
16 A. So, again, I have never seen this  
17 document before. I am not familiar with any of  
18 this language.  
19 BY MR. GADDY:  
20 Q. Well, you don't disagree that that's  
21 what's being represented is the program is going to  
22 be cost neutral because of the \$3 million, and I  
23 guess it's over \$3 million, that you were able to  
24 bring in from Blue Cross, Pfizer, AmerisourceBergen

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1 and Prime Therapeutics, correct?  
2 A. No. There are a number of pieces, as  
3 I'm now looking at this document for the first time  
4 today, as I mentioned, that are not accurate.  
5 Underneath "Qualitative" it says,  
6 "Expand the Rx Kiosk Takeback program with  
7 Stericycle by adding 471 new locations to their  
8 existing footprint of existing 604."  
9 The proposal was for a total of 1,500.  
10 So, a lot of these numbers are, frankly, not  
11 accurate according to where we were and where we  
12 are and where we're going. So, as a result, I also  
13 can't speak to the validity of that one sentence  
14 that you've just mentioned.  
15 Q. Well, what I think we can agree on is  
16 that sentence that was included in this document  
17 when it was recommended that Walgreens contract  
18 with Stericycle to perform this service to help  
19 with the Take-Back 2 rollout, correct?  
20 MR. SWANSON: Object to form.  
21 BY THE WITNESS:  
22 A. Is your question whether or not this  
23 sentence actual exists in this document?  
24 BY MR. GADDY:

<p style="text-align: right;">Page 222</p> <p>1 Q. Correct. If that sentence is what was          2 written in this document when it was proposed to          3 bring Stericycle back on board to continue with          4 this program?          5 A. I can't say one way or the other          6 because, obviously, I'm not the author of this. My          7 name is not anywhere on it and I've never seen it          8 before. So, I honestly don't have any idea what          9 this as a whole is trying to represent.          10 Q. Okay. I'll take that.          11 And you mentioned that another aspect of          12 this program was public awareness or the PR aspect          13 of it, correct?          14 A. That's correct.          15 Q. And you certainly made an effort or          16 Walgreens certainly made an effort to talk about          17 this program and use it to gain some publicity?          18 A. I wouldn't -- I wouldn't -- I would          19 disagree with the word "publicity."          20 What I can tell you is I have personally          21 flown to California, Illinois, states all over the          22 country, and have appeared with elected members of          23 Congress, which has resulted in extensive news          24 coverage, including on the morning drive time, to</p>	<p style="text-align: right;">Page 224</p> <p>1 take-back kiosk, correct?          2 A. Yes.          3 Q. And you mentioned I think that you had          4 flown across the country doing press events with          5 different folks talking about the programs, right?          6 A. Yes.          7 Q. You did a program with Congressman Paul          8 Ryan talking about the take-back kiosk in          9 Janesville, Wisconsin?          10 A. Yes.          11 Q. Did a program with I think Kevin          12 McCarthy out in California, same type of deal?          13 A. Um-hmm.          14 Q. Those type of programs typically involve          15 a brief press conference where you have the elected          16 official give a statement that sometimes you can          17 help him or your office will help them draft          18 talking about the program?          19 A. We will provide background information          20 to assist if folks are interested in putting          21 something into their remarks or a press release in          22 terms of typically get a lot of questions on how          23 long a program has been around, how many boxes do          24 we have on the ground, how much have we collected,</p>
<p style="text-align: right;">Page 223</p> <p>1 the point where we then have patients interrupting          2 the press conferences that we're holding to dispose          3 of their medications in the box because it was the          4 first time they were aware the box existed.          5 MR. SWANSON: Jeff, before you go on to your          6 next document, we have been going about another          7 hour ten. We started at 8:00. It's 12:20. I          8 don't know about others. I'm ready for lunch.          9 MR. GADDY: Sure.          10 MR. SWANSON: Is it a good time to do it now?          11 MR. GADDY: Whenever you are ready.          12 Absolutely.          13 MR. SWANSON: Thanks, sir.          14 THE VIDEOGRAPHER: We are off the record at          15 12:20 p.m.          16 (WHEREUPON, a recess was had          17 from 12:20 to 1:07 p.m.)          18 THE VIDEOGRAPHER: We are back on the record          19 at 1:07 p.m.          20 BY MR. GADDY:          21 Q. Mr. Kaleta, before we broke for lunch we          22 were talking about some of the public awareness          23 type campaigns that you would assist Walgreens in          24 in talking about or spreading the news on the drug</p>	<p style="text-align: right;">Page 225</p> <p>1 those type of things.          2 Q. I want to show you what I've marked as          3 Kaleta 20.          4 (WHEREUPON, a certain document was          5 marked as Walgreens-Kaleta Exhibit          6 No. 20: 9/20/17 e-mail string;          7 WAGMDL00385105 - 00385110.)          8 BY MR. GADDY:          9 Q. And this is an e-mail chain. This is          10 P-WAG-1851, Bates 385105. And you see the front          11 page, and we will flip to the back and go through          12 this chronologically, but you see that this is an          13 e-mail exchange between you and a Paige Smith with          14 the Washington Speakers Bureau?          15 A. Okay.          16 Q. And if we would turn to, it's going to          17 be Bates number at the bottom ending 108.          18 A. Uh-huh.          19 Q. And at the bottom of the page we see an          20 e-mail from you to Paige Smith and the subject is          21 "WSB," which I am going to presume stands for          22 Washington Speakers Bureau, "Following up."          23 Do you see that?          24 A. Yes.</p>



<p style="text-align: right;">Page 226</p> <p>1 Q. And you write here, "Paige or Kristin, 2 as a follow-up to our conversation on Friday, here 3 is a letter of invitation for General Powell to 4 join us for our announcement on Safe Medication 5 Disposal on Friday September 29, here in 6 Washington, D.C." 7 Do you see that? 8 A. Yes. 9 Q. And a couple things to note, you write, 10 "This event is being made by four companies and a 11 major trade association to highlight their 12 commitment to the opioid epidemic and help 13 Americans have a place to dispose of unused 14 medications." 15 Do you see that? 16 A. Yes. 17 Q. And did this relate to an event that you 18 were intending to have to open in the drug kiosk in 19 Washington, D.C.? 20 A. That's correct. 21 Q. This was by no means the first one of 22 these programs that you would have done to raise 23 awareness, correct? 24 A. Correct. So, this one was actually</p>	<p style="text-align: right;">Page 228</p> <p>1 trying to focus a little bit on the challenges 2 faced by our armed service men and women, both 3 active and retired duty, with having unused 4 medications and some of the challenges faced there. 5 So, we thought that Colin Powell would 6 be an excellent person to help talk about what we 7 were doing to get those out of communities. 8 Q. Okay. Paige then asked if you'd be 9 interested in then putting together some 10 alternative recommendations, and then the next 11 e-mail up you say that you would be interested in 12 that, correct? 13 A. Yes. 14 Q. And if you turn the page one more time, 15 do you see the list of opportunities that she was 16 able to put together for you for people who could 17 come and speak at this press event? 18 A. Yes. 19 Q. Okay. And the first individual that she 20 listed who was available to come and speak was 21 former Mary Rudy Giuliani. 22 Do you see that? 23 A. I do. 24 Q. And underneath his name it indicates</p>
<p style="text-align: right;">Page 227</p> <p>1 again to highlight kind of phase 2 Take-Back 2.0 2 with the other companies and trade. 3 Q. But you had been doing press releases 4 and public awareness rollouts for the last year as 5 you rolled out the first phase, correct? 6 A. That's correct. 7 Q. If you flip up a page, flip up a page, 8 at the bottom you see Paige's response and she 9 says, "Dear Ed. Thank you for the" -- "so much for 10 the clarification, we reconfirmed with General 11 Powell's office and although he greatly appreciates 12 the opportunity to participate, he's unavailable to 13 do so." 14 Do you see that? 15 A. Yes. 16 Q. And the person we are talking about 17 there is General Colin Powell, correct? 18 A. Yes. 19 Q. And what was your interest in having 20 General Colin Powell come and attend this press 21 event? 22 A. He's a nationally recognized figure, 23 somebody that has a stellar reputation. We also 24 had initially as part of Take-Back 2.0, we were</p>	<p style="text-align: right;">Page 229</p> <p>1 what his fee would be and he wanted \$60,500 plus 2 expenses to come and participate in the event, 3 correct? 4 A. Yes. 5 Q. The next individual listed is Bob Gates 6 who is the former Secretary of Defense, correct? 7 A. Yes. 8 Q. And it indicates that he would -- he was 9 potentially available to come and speak at a cost 10 of \$10,500, correct? I'm sorry. \$100,500. 11 A. That's what's written there, yes. 12 Q. It said he also would require either two 13 first class airplane tickets or expenses for two in 14 a private plane Lear 60 or larger. Correct? 15 A. Yes. 16 MR. SWANSON: Object to form, 17 mischaracterizes. 18 BY MR. GADDY: 19 Q. Sorry. I didn't hear your answer. 20 A. I mean, that's what it's -- what's 21 written here. Yeah, those aren't my words 22 obviously. That's from Paige. 23 Q. Sure. These were the options that were 24 being presented to you, correct?</p>



<p style="text-align: right;">Page 230</p> <p>1 A. These were options that she offered,  2 correct.  3 Q. Okay. Also listed there is David  4 Petraeus, Chuck Hagel and another former General or  5 another General Peter Pace, former Joints Chief of  6 Staff.  7 Do you see that?  8 A. I do.  9 Q. If you flip to the first page of that  10 e-mail, you see your response in the middle of the  11 page to Paige. Do you see that there?  12 A. I do.  13 Q. You say, "Yes, can you begin the  14 conversations to see if Robert Gates might be  15 available for our event next Friday, September 29."  16 Do you see that?  17 A. I do.  18 Q. The fee for Bob Gates was \$100,500,  19 correct?  20 A. Yes, that's what was on the other page.  21 Q. But in order to secure publicity for  22 your event, that was a reasonable option for  23 Walgreens to secure the attendance of Mr. Gates at  24 this event, correct?</p>	<p style="text-align: right;">Page 232</p> <p>1 just -- it's disingenuous to say each box costs  2 \$500 when the actual cost is somewhere around  3 \$6,000.  4 Q. Well, there is one cost for the box and  5 another cost to put a box in a store, correct?  6 A. And another cost to maintain the box by  7 Stericycle and another cost of labor and man-hours  8 to do so. So, there is four costs associated with  9 the box.  10 Q. Would you agree that \$100,500 is a  11 significant sum of money to secure a speaker at an  12 event such as this?  13 A. I would agree that our ability to  14 collect 500 tons of unused medications is  15 phenomenal and clearly suggests that we've -- are  16 answering a need out there in communities across  17 the country. So, our ability to do that with  18 elected officials or with potentially a paid  19 representative would only increase the exposure of  20 the boxes and make them more available to more  21 patients.  22 Q. I didn't ask you how much you collected.  23 I didn't ask you whether or not you thought it was  24 phenomenal or not phenomenal. If your attorney</p>
<p style="text-align: right;">Page 231</p> <p>1 A. We were pursuing a number of different  2 folks, some of which were requiring an appearance  3 fee, others that were not.  4 Q. Mr. Gates was somebody that you were  5 pursuing at least at this time?  6 A. That's correct.  7 Q. From the numbers that we looked at  8 earlier at \$500 a kiosk to purchase them, this --  9 over 200 kiosks could have been purchased with the  10 speaking fee that Walgreens was prepared to pay  11 Bob Gates. Am I doing that math right?  12 MR. SWANSON: Object to form.  13 BY THE WITNESS:  14 A. Yeah, no, I think I'd need to think that  15 through a little bit. How many boxes did you say?  16 BY MR. GADDY:  17 Q. I think I -- I think it would be 201.  18 A. No. Because they're roughly 6,000 a  19 box. So, 6,000 goes into 100,000. I don't know  20 what the math is on that. But 15, 20.  21 Q. Okay. Well, I was just talking about  22 the boxes. I think we -- you told me earlier it  23 was \$495 for a box?  24 A. No. No, it's \$6,000 all in. You can't</p>	<p style="text-align: right;">Page 233</p> <p>1 wants to come back at the end of the day and ask  2 you questions about what you think is fantastic or  3 how much you've done, he is more than welcome to do  4 so.  5 My question to you is whether or not  6 you think \$100,500 is a significant sum to pay for  7 an appearance fee for somebody to come and appear  8 at a press event?  9 A. If a tree --  10 MR. SWANSON: Object to the form.  11 BY THE WITNESS:  12 A. If a tree falls in the forest and nobody  13 knows or hears about it, then it didn't occur. If  14 you don't highlight efforts like this, then people  15 won't understand what options are available to them  16 with safe medication disposal.  17 BY MR. GADDY:  18 Q. So, your answer is that it's reasonable  19 to pay \$100,500 to a person like Bob Gates and fly  20 him on a private jet to attend your press event?  21 MR. SWANSON: Object to form.  22 BY MR. GADDY:  23 Q. That's a reasonable expenditure of the  24 money that you've collected from partners to fund</p>

<p style="text-align: right;">Page 234</p> <p>1 this effort?</p> <p>2 A. I think if we could have had an</p> <p>3 opportunity to have somebody of his stature talking</p> <p>4 about the importance of safe medication disposal,</p> <p>5 it would have had -- allowed access to probably</p> <p>6 tens of thousands, if not hundreds of thousands of</p> <p>7 Americans about where our boxes are located, which</p> <p>8 means we would have collected even more.</p> <p>9 Q. So, you think it's reasonable?</p> <p>10 A. Again, I think the opportunity to have</p> <p>11 somebody of former Secretary Robert Gates' stature</p> <p>12 or former Joint Chiefs of Staff Colin Powell talk</p> <p>13 about the importance of unused medications, then</p> <p>14 having that message be cascaded to tens of</p> <p>15 thousands, if not hundreds of thousands of</p> <p>16 Americans is worth it in trying to help with this</p> <p>17 important issue.</p> <p>18 Q. So, yes, it's reasonable?</p> <p>19 MR. SWANSON: Asked and answered three times.</p> <p>20 BY THE WITNESS:</p> <p>21 A. I think the opportunity to have somebody</p> <p>22 of former Secretary Robert Gates' stature or Robert</p> <p>23 Joint Chiefs of Staff Colin Powell be able to share</p> <p>24 this message with tens of thousands, if not</p>	<p style="text-align: right;">Page 236</p> <p>1 lobbying speech on your talking points; but you</p> <p>2 won't say yes, it's reasonable or no, it's not.</p> <p>3 Is there a reason you can't give an</p> <p>4 answer to that?</p> <p>5 A. I think --</p> <p>6 MR. SWANSON: Objection to the preface.</p> <p>7 BY THE WITNESS:</p> <p>8 A. I think "reasonable" is a subjective</p> <p>9 term. I think obviously if you see in the e-mail</p> <p>10 that I was in fact inquiring about him appearing,</p> <p>11 then that is something that we were interested in</p> <p>12 doing.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. You agree that there is folks within the</p> <p>15 industry that questioned whether or not drug</p> <p>16 take-back kiosks or programs do any good at all</p> <p>17 when it comes to combating the opioid crisis?</p> <p>18 A. I think that there is some -- I mean,</p> <p>19 everybody has an opinion. Do I think there is</p> <p>20 legitimate folks that are questioning whether</p> <p>21 take-back is a good method? I think -- I don't --</p> <p>22 I'm not aware of anybody that has a reasonable,</p> <p>23 legitimate, unbiased, objective viewpoint on that,</p> <p>24 no.</p>
<p style="text-align: right;">Page 235</p> <p>1 hundreds of thousands of Americans would just go a</p> <p>2 long way towards collecting even more unused</p> <p>3 medications.</p> <p>4 BY MR. GADDY:</p> <p>5 Q. Does that mean yes or no?</p> <p>6 MR. SWANSON: Objection.</p> <p>7 BY THE WITNESS:</p> <p>8 A. I think the opportunity to have somebody</p> <p>9 of that stature be able to help broadcast that</p> <p>10 message is just another key step in trying to</p> <p>11 combat a challenging issue.</p> <p>12 BY MR. GADDY:</p> <p>13 Q. Is there a reason that you don't want to</p> <p>14 say yes or no that that's a reasonable amount of</p> <p>15 money?</p> <p>16 MR. SWANSON: Object to form, argumentative.</p> <p>17 BY THE WITNESS:</p> <p>18 A. You want me to answer that last</p> <p>19 question? Is there a reason that I'm not willing</p> <p>20 to say whether or not it's reasonable. I think</p> <p>21 if --</p> <p>22 BY MR. GADDY:</p> <p>23 Q. I'm asking is there a reason you don't</p> <p>24 want to say yes or no. You're giving me your</p>	<p style="text-align: right;">Page 237</p> <p>1 Q. I show you what we are going to mark as</p> <p>2 Exhibit No. 21.</p> <p>3 (WHEREUPON, a certain document was</p> <p>4 marked as Walgreens-Kaleta Exhibit</p> <p>5 No. 21: 5/21/18 e-mail string with</p> <p>6 attachment; WAGMDL00384341 -</p> <p>7 00384357.)</p> <p>8 BY MR. GADDY:</p> <p>9 Q. It's P-WAG-1924, Bates No. 384341.</p> <p>10 Do you recognize this as an e-mail</p> <p>11 chain -- it looks like it's just a one-page e-mail,</p> <p>12 and the e-mail is sent to you from Michele</p> <p>13 Davidson.</p> <p>14 Do you see that?</p> <p>15 A. I do.</p> <p>16 Q. Who is Michele?</p> <p>17 A. She's on our policy team.</p> <p>18 Q. And if you'd turn, up at the top</p> <p>19 right-hand corner, it's going to say .002. It's</p> <p>20 the second page of the attachment.</p> <p>21 A. Okay.</p> <p>22 Q. And do you recall, and I want to start</p> <p>23 on the first page, which is .002 at the top right.</p> <p>24 A. Um-hmm.</p>

<p style="text-align: right;">Page 238</p> <p>1 Q. Sorry. It's 344 at the bottom right.  2 We'll start there.  3 A. So, I'm sorry. Where are we going?  4 Q. Flip to the one up top. 344, the first  5 page. It's the one up on the screen.  6 A. Okay.  7 Q. Do you recall this document?  8 A. I recall reading a news report of a John  9 Holaday who has a financial interest in selling  10 DisposeRx packets, which is why he shared  11 information about what he believed to be the  12 efficacy of take-back programs.  13 Q. So, is the answer that yes, you recall  14 this document?  15 A. No. I don't recall this specific  16 document. I recall that John Holaday testified  17 before folks on the Hill with a financial interest  18 to sell more of his packets.  19 Q. Okay.  20 A. At the expense of take-back boxes.  21 Q. Okay. So, you know who John Holaday is?  22 A. I do.  23 Q. And you recall that he provided some  24 testimony to Congress and he promoted the option</p>	<p style="text-align: right;">Page 240</p> <p>1 impressive, collected drugs include such  2 over-the-counter drugs as Flintstone vitamins and  3 the tonnage was largely due to the drug containers,  4 not the drugs themselves."  5 Do you see that?  6 A. I see what's written there.  7 Q. Okay. When you keep quoting --  8 A. 500 tons.  9 Q. Are you talking about pills only?  10 A. That includes pills as well as other --  11 as well as the container in some cases.  12 Q. Okay. So, when you keep telling me how  13 many tons that Walgreens has collected, you're  14 aware that that weight includes the tonnage of the  15 drug container kiosks?  16 A. It may.  17 Q. And when you tell me how many -- the  18 weight of what was collected, you're not  19 representing that those -- that all that was  20 collected was opioids, correct?  21 A. That's correct.  22 Q. In fact, you have no idea how many  23 opioids are actually collected?  24 A. I think that there is different studies</p>
<p style="text-align: right;">Page 239</p> <p>1 that he's actually in the business of?  2 A. That's correct.  3 Q. Okay. Turn to the next page, which is  4 345 at the bottom right, and in the middle of the  5 page there is a paragraph that says, "Twice  6 yearly."  7 Do you see that?  8 A. Actually look up here. "Twice yearly,"  9 okay.  10 Q. It says, "Twice yearly, on April 28 and  11 October 28, the DEA sponsors take-back programs at  12 various locations around the U.S."  13 Do you see that?  14 A. I do.  15 Q. Does Walgreens support those efforts of  16 the DEA?  17 A. We have participated in those efforts  18 that the DEA has done, yes.  19 Q. It says, "These programs often collect  20 several tons of drugs during the day-long event.  21 The cost per pound of managing the collected drugs  22 is estimated to be up to \$62."  23 It goes on to say, "Although the tons of  24 drugs removed from circulation is certainly</p>	<p style="text-align: right;">Page 241</p> <p>1 that have been done about how many, what percentage  2 of opioids are prescribed, and so different  3 researchers and professors have gone down the road  4 of saying if X percent of all prescriptions are  5 opioids, then it's fairly logical to assume that  6 X percent of what's in the take-back box is  7 opioids.  8 Q. And we will look at some of that in a  9 little bit. But I think you told us earlier that  10 it's against regulations for you to -- for you or  11 anybody with Walgreens to open the box and look in  12 there, right?  13 A. That's correct.  14 Q. So, you don't know, you can't sit here  15 and tell me today how many tons of opioids, if any,  16 they have actually collected in this program?  17 A. I know for a fact that there's opioids  18 inside the take-back boxes.  19 Q. Okay. Have you opened some of them?  20 A. No. I have put them in myself, and I  21 have done it on behalf of family members.  22 Q. Okay.  23 A. So...  24 Q. But you don't know how much opioids have</p>

<p style="text-align: right;">Page 242</p> <p>1 been collected in these programs?</p> <p>2 A. I think we have established that on a</p> <p>3 percentage basis, one could discern relative to how</p> <p>4 many prescriptions are opioids that that</p> <p>5 calculation can be made. But no, I cannot.</p> <p>6 Q. It goes on to say in the next paragraph,</p> <p>7 second sentence or let's just start with the first</p> <p>8 sentence.</p> <p>9 It says, "A study in five counties in</p> <p>10 Kentucky conducted by Egan, et al. evaluated all</p> <p>11 the drugs dispensed and then collected at take-back</p> <p>12 programs and kiosks. They found that the vast</p> <p>13 numbers of drugs that are dispensed by pharmacists,</p> <p>14 very few were subsequently collected." It says,</p> <p>15 "Annually controlled medications disposed were</p> <p>16 estimated to account for less than 1%," to be</p> <p>17 exact, ".3% of those that were dispensed."</p> <p>18 Do you see that?</p> <p>19 A. I do see that.</p> <p>20 Q. And then in the last sentence of that</p> <p>21 paragraph they say, "Another report on drug</p> <p>22 take-back by Carnevale noted 'we found no evidence</p> <p>23 that take-back programs affect prescription drug</p> <p>24 abuse.'"</p>	<p style="text-align: right;">Page 244</p> <p>1 particular articles?</p> <p>2 A. I don't. I see a whole bunch of words</p> <p>3 on the screen that I've never read before.</p> <p>4 Q. Okay. Start up in the -- well, if you</p> <p>5 go back to the first page of this e-mail, this is</p> <p>6 an e-mail that was sent to you, right?</p> <p>7 A. Yeah. I get a lot of e-mails with big</p> <p>8 large attachments.</p> <p>9 Q. Okay.</p> <p>10 A. Some of which I read, some of which I</p> <p>11 don't.</p> <p>12 Q. Did you read this one?</p> <p>13 A. Nope.</p> <p>14 Q. Okay. Let's go back to that 349 on the</p> <p>15 bottom right-hand corner.</p> <p>16 A. Um-hmm.</p> <p>17 Q. Do you see in the top left-hand corner</p> <p>18 it says it's the American Journal of Drug and</p> <p>19 Alcohol Abuse?</p> <p>20 A. From 2016.</p> <p>21 Q. I think it says 2017 right below.</p> <p>22 A. No. It says article history, received,</p> <p>23 revised, accepted on the right. So, I don't know</p> <p>24 what the 2017 is, but...</p>
<p style="text-align: right;">Page 243</p> <p>1 Do you see that?</p> <p>2 A. I do.</p> <p>3 Q. You obviously disagree. I'm not asking</p> <p>4 if you agree with those characterizations. But you</p> <p>5 see that that's represented there?</p> <p>6 A. So, I've never -- I've heard of people</p> <p>7 allude to this study. What year is the study from?</p> <p>8 Q. We will look at it in just a minute</p> <p>9 but...</p> <p>10 A. Okay.</p> <p>11 Q. You've heard those comments before?</p> <p>12 A. I have heard that a study has been done</p> <p>13 in certain parts of the country relative to. But,</p> <p>14 again, I have no -- no basis for that being</p> <p>15 accurate or factual or relevant.</p> <p>16 And, again, I would ask what the date of</p> <p>17 the study was and which boxes they were reviewing</p> <p>18 and how frequently and what parts of the country</p> <p>19 and 100 other questions.</p> <p>20 Q. Sure. Turn to Page No. 349 for me,</p> <p>21 please, at the bottom right. You see here one of</p> <p>22 these particular articles?</p> <p>23 A. Do I see what?</p> <p>24 Q. That this here is one of these</p>	<p style="text-align: right;">Page 245</p> <p>1 Q. Okay. I was just going with the date it</p> <p>2 was published, but whatever.</p> <p>3 A. I think you'd have to go with your</p> <p>4 article history.</p> <p>5 It's pretty important since we started</p> <p>6 dropping boxes in 2016. That means that this study</p> <p>7 100 percent didn't include anything that Walgreens</p> <p>8 was doing.</p> <p>9 So, we now have 1,100 boxes in the</p> <p>10 ground collecting, and this article has nothing to</p> <p>11 do with any of them. So, I think actually this is</p> <p>12 helpful to point out I probably should have read it</p> <p>13 so I could push back a little stronger on the folks</p> <p>14 that have tried to make this claim.</p> <p>15 Q. But you haven't read it?</p> <p>16 A. No, I have not.</p> <p>17 Q. Okay.</p> <p>18 A. But it's not timely and it's not</p> <p>19 relevant because it's from 2016. We didn't have</p> <p>20 any boxes in the ground until 2016. Clearly, they</p> <p>21 couldn't have performed, done the study and written</p> <p>22 the article all in the same period of time when we</p> <p>23 were still putting our first boxes in the ground.</p> <p>24 Q. And I will object to the extent that</p>

<p style="text-align: right;">Page 246</p> <p>1 that was non-responsive to any question. Okay.</p> <p>2 Do you see the title of the article,</p> <p>3 "From dispensed to disposed: evaluating the</p> <p>4 effectiveness of disposal programs through a</p> <p>5 comparison with prescription drug monitoring</p> <p>6 program data"?</p> <p>7 Do you see that?</p> <p>8 A. I see that title, yes.</p> <p>9 Q. Okay. And do you see there in the</p> <p>10 middle of the page there there is an abstract?</p> <p>11 A. I do.</p> <p>12 Q. It gives a summary of the article.</p> <p>13 Do you see that?</p> <p>14 Are you familiar with the concept of an</p> <p>15 abstract?</p> <p>16 A. I'm familiar with the concept of an</p> <p>17 abstract, but an abstract varies by publication.</p> <p>18 So, as I said, I've never read this article before.</p> <p>19 Q. Okay. It says under "Background:</p> <p>20 Organized disposal of controlled medications, such</p> <p>21 as take-back events and permanent drug donation</p> <p>22 boxes, is a prevention strategy that has been</p> <p>23 widely used to reduce availability of controlled</p> <p>24 medications for drug diversion or abuse. However,</p>	<p style="text-align: right;">Page 248</p> <p>1 what I said before. This actually is -- the study</p> <p>2 may have been printed initially in 2016. The</p> <p>3 results are from 2013. So, this is five years old.</p> <p>4 Q. Are you done?</p> <p>5 A. I just don't think it's relevant.</p> <p>6 Q. If your attorney wants to ask you</p> <p>7 questions about it, he can point out everything</p> <p>8 that --</p> <p>9 A. I think we should. Yeah, we should go</p> <p>10 to this later. That's a great opportunity.</p> <p>11 Q. Well, next time we take a break, you</p> <p>12 should tell him that and come back to this at the</p> <p>13 end of the day.</p> <p>14 A. That sounds good.</p> <p>15 Q. Can you turn with me please to 354.</p> <p>16 A. 354. Okay.</p> <p>17 Q. Do you see there is a pie chart at the</p> <p>18 bottom of the page?</p> <p>19 A. I see a pie chart, yes.</p> <p>20 Q. You see it's labeled Figure 1?</p> <p>21 A. I see where it says Figure 1. I have no</p> <p>22 idea what this is about. I mean, I haven't read</p> <p>23 this, any of this study. So...</p> <p>24 Q. If you go back up to the "Discussion"</p>
<p style="text-align: right;">Page 247</p> <p>1 little is known as to whether this strategy</p> <p>2 actually reduces the overall availability of these</p> <p>3 medications for the purposes of diversion or</p> <p>4 abuse."</p> <p>5 Do you see that?</p> <p>6 A. I do. I see what you're highlighting.</p> <p>7 Q. Okay. And if you go down to the bottom</p> <p>8 of that section, you come to the conclusion and it</p> <p>9 reads, "Controlled medications collected by</p> <p>10 take-back events and permanent drug donation boxes</p> <p>11 constituted a minuscule proportion of the drugs</p> <p>12 dispensed. Our findings suggest that organized</p> <p>13 drug disposal efforts may have had a minimal impact</p> <p>14 on reducing the availability of unused controlled</p> <p>15 medications at a community level."</p> <p>16 Do you see that?</p> <p>17 A. I see what you've highlighted.</p> <p>18 Q. Okay.</p> <p>19 A. What you didn't highlight, though, is in</p> <p>20 the middle of the abstract that you referred to it</p> <p>21 says "Results."</p> <p>22 Q. Mr. Kaleta, I don't think I've asked a</p> <p>23 question.</p> <p>24 A. In 2013. So, actually I want to revise</p>	<p style="text-align: right;">Page 249</p> <p>1 portion, I'll try to explain it to you.</p> <p>2 There is a sentence about halfway</p> <p>3 through that first paragraph on the left that</p> <p>4 starts "We found that."</p> <p>5 A. I'd like time to read this.</p> <p>6 MR. SWANSON: Go ahead. Take your time to</p> <p>7 read it if you want to.</p> <p>8 THE WITNESS: Yeah.</p> <p>9 BY THE WITNESS:</p> <p>10 A. I mean, this is a long study and you</p> <p>11 want me to refer to a pie chart at the bottom.</p> <p>12 BY MR. GADDY:</p> <p>13 Q. Do you see where I am on the left-hand</p> <p>14 side of the page, "We found"?</p> <p>15 A. No, I need more time.</p> <p>16 All right. I've had a chance to do a</p> <p>17 cursory glance.</p> <p>18 Q. Okay. Do you see where I am talking</p> <p>19 about, "We found that"?</p> <p>20 A. We found what?</p> <p>21 Q. I am starting in the sentence there, "We</p> <p>22 found that biannual."</p> <p>23 A. Okay.</p> <p>24 Q. "We found that biannual take-back events</p>



<p style="text-align: right;">Page 250</p> <p>1 and annual permanent drug donation boxes were          2 estimated to account for .3% of the prescription          3 medications dispensed in the participating counties          4 within a single year."          5 Do you see that?          6 A. Yeah, but it doesn't list the year. Do          7 you know what year they're referring to there?          8 Q. I'm just asking if you see what's          9 written there.          10 A. I do.          11 Q. It says, "These findings in conjunction          12 with previous research reporting that approximately          13 30% of controlled medications are used suggest that          14 69% of controlled medications are unused and          15 unaccounted for in communities."          16 Do you see that?          17 A. I do. It also says on the first          18 sentence, "This is the first study to compare the          19 number of controlled medications." Yet then in the          20 second sentence you highlighted it talks about          21 other studies. So, I'm confused by those two          22 sentences.          23 Q. Okay. Now that we have read that, do          24 you see the pie chart on the bottom of the page?</p>	<p style="text-align: right;">Page 252</p> <p>1 BY MR. GADDY:          2 Q. I'm just asking if you see what the          3 results of the study are indicating in that chart.          4 MR. SWANSON: Object to form.          5 BY MR. GADDY:          6 Q. I'm not asking you to conduct an          7 analysis. I'm not asking you whether you agree or          8 disagree with the study. I'm just asking if you          9 see what it says.          10 A. I don't understand --          11 MR. SWANSON: Let me get a --          12 THE WITNESS: Yeah, please.          13 MR. SWANSON: -- foundation objection in. He          14 is asking for information. I understand you don't          15 want to give it to him. I'm objecting on          16 foundation.          17 If you can answer the question, go          18 ahead. If you can't answer the question, you can          19 say so.          20 BY THE WITNESS:          21 A. I can't answer that question.          22 BY MR. GADDY:          23 Q. Okay. Do you remember what you did when          24 you received this study?</p>
<p style="text-align: right;">Page 251</p> <p>1 A. Yes. I see a pie chart.          2 Q. And do you see that the white section,          3 the 30%, represents the amount of drugs, the amount          4 of controlled substances that were dispensed to the          5 patient and used by the patient.          6 Do you see that?          7 A. Yeah, but I don't --          8 MR. SWANSON: Object to foundation.          9 BY THE WITNESS:          10 A. I don't understand what the 30% is          11 referring to.          12 BY MR. GADDY:          13 Q. Okay. Do you see the gray-shaded area          14 that I think -- I believe it says 69.7% that it          15 indicates is unknown?          16 A. I don't have any idea what those numbers          17 mean.          18 MR. SWANSON: Object to form, foundation.          19 BY THE WITNESS:          20 A. Yeah, I mean, what's the 30%? Of what?          21 What year? With which box? And which medications?          22 In which part of the country?          23 You're just pointing to numbers on a pie          24 chart. I can't possibly respond to that.</p>	<p style="text-align: right;">Page 253</p> <p>1 A. I do not.          2 Q. You agree that this study gave a          3 negative assessment or a negative view of drug          4 take-back programs?          5 A. I agree that the gentleman that          6 testified on Capitol Hill with this study has a          7 financial interest in pushing his paid envelopes          8 and not take-back boxes. I would agree with that.          9 Q. Okay. I'll reask my question.          10 You agree that this study gave a          11 negative assessment of drug take-back programs?          12 MR. SWANSON: Object to form.          13 BY THE WITNESS:          14 A. I won't agree with that. I'll agree          15 that the individual that trumpeted this study had a          16 financial interest in sharing it with folks on          17 Capitol Hill.          18 BY MR. GADDY:          19 Q. Do you think the study gave a positive          20 review of take-back programs?          21 MR. SWANSON: Object to form, foundation. I          22 thought he said he hadn't read it.          23 BY THE WITNESS:          24 A. I have no idea what the -- aside from</p>

<p style="text-align: right;">Page 254</p> <p>1 you cherry-picking a couple of lines from the  2 study, I have no idea what it says positively or  3 negatively as it relates to take-back.  4 BY MR. GADDY:  5 Q. The conclusion that we read that said  6 drug take-backs have no impact on opioid abuse, do  7 you think that's positive or negative?  8 A. The conclusion that was part of the  9 abstract saying the study from 2013?  10 Q. The conclusion that we just read.  11 A. I don't agree with any of this since I  12 haven't had a chance to read the study.  13 Q. I'll show you what I will mark as  14 Exhibit 22.  15 (WHEREUPON, a certain document was  16 marked as Walgreens-Kaletka Exhibit  17 No. 22: 5/24/18 e-mail string;  18 WAGMDL00616784 - 00616787.)  19 BY MR. GADDY:  20 Q. If you flip for me, please, to page 786  21 looking at the bottom right-hand corner.  22 MR. SWANSON: 786?  23 MR. GADDY: Correct.  24 BY MR. GADDY:</p>	<p style="text-align: right;">Page 256</p> <p>1 correct?  2 A. I'm sorry. What page are you on?  3 Q. 785 at the bottom right.  4 A. 785 bottom right.  5 Q. 785 is the Bates number in the bottom  6 right-hand corner of the document.  7 A. Yes. So, which e-mail are you referring  8 to?  9 Q. Top of the page, do you see an e-mail  10 from you to those same individuals?  11 A. Yes, I see that.  12 Q. Okay. You write back to Charley, say,  13 "Hey, this is super helpful. I have a call with  14 Walmart tomorrow on this topic. They have already  15 said they did not participate in the drafting of  16 the testimony, but I'm going to ask that they ask  17 Holaday to refrain from using inaccurate  18 cherry-picked and clearly out of date data."  19 Do you see that?  20 A. I do.  21 Q. And those are some of the concerns that  22 you've raised here today, correct?  23 A. That's correct.  24 Q. You go on to say, "Further, as we</p>
<p style="text-align: right;">Page 255</p> <p>1 Q. Do you see on the bottom of that  2 page it's an e-mail from you to John, Charley;  3 Katherine Troller; Steve Gregory; and Alethia  4 Jackson and subject "Holaday testimony"?  5 A. Yes, I see that.  6 Q. That's the individual that we were just  7 talking about, correct?  8 A. Yes. That's correct.  9 Q. You say, "Charley." And who is Charley?  10 A. Charley is a member of the public policy  11 team.  12 Q. You say, "Charley, can you look into the  13 Journal of Drug Abuse article referenced here?  14 When is it from? Who conducted it? Who paid for  15 it? Thanks, Ed."  16 Do you see that?  17 A. Yes.  18 Q. So, you didn't read the article; you  19 sent it to Charley and asked him to look into it,  20 correct?  21 A. That is correct.  22 Q. Okay. If you flip back to page 785,  23 bottom right, up at the top of the page you see an  24 e-mail from you to the same group of people,</p>	<p style="text-align: right;">Page 257</p> <p>1 discussed, Charley, let's get a few proposals ASAP  2 on conducting a study of safe medication disposal."  3 Do you see that?  4 A. I do.  5 Q. You were interested in putting a study  6 together that would look at Walgreens' take-back  7 program, correct?  8 A. I floated an idea of potentially doing a  9 study looking at take-back programs, that's  10 correct. I didn't necessarily say Walgreens. I  11 just said safe medication disposal.  12 Q. Go to the first page of the document.  13 Do you see the e-mail in the middle of the  14 page from Steven?  15 A. I do.  16 Q. And he says, "Perhaps NACDS could help  17 with the study?"  18 Do you see that?  19 A. I do.  20 Q. And at the top of the page there is  21 actually a response to that e-mail from Charley,  22 correct?  23 A. Yes.  24 Q. Do you see that?</p>

<p style="text-align: right;">Page 258</p> <p>1 A. I do.</p> <p>2 Q. And is Charley somebody that reports to</p> <p>3 you?</p> <p>4 A. He is not. He reports to Steven</p> <p>5 Gregory, head of policy.</p> <p>6 Q. And Steven reports to you?</p> <p>7 A. That's correct.</p> <p>8 Q. And Charley writes, "Would you worry</p> <p>9 about what an NACDS or any other product for that</p> <p>10 matter would show?"</p> <p>11 Do you see that sentence?</p> <p>12 A. I do.</p> <p>13 Q. Do you understand him to be talking</p> <p>14 about the results of any study that would be done?</p> <p>15 A. So, Charley wrote the e-mail. I didn't.</p> <p>16 I'm not exactly certain what he means because there</p> <p>17 is a little bit of confusion when he talks about</p> <p>18 product.</p> <p>19 Q. Okay.</p> <p>20 A. I don't know if that's a take-back</p> <p>21 product. I don't know if that's referring to a</p> <p>22 study. So, I'm not clear.</p> <p>23 Q. Okay. Let's keep reading. It says,</p> <p>24 "Us," meaning Walgreens, "and CVS are pretty well</p>	<p style="text-align: right;">Page 260</p> <p>1 comes out in their favor, that will be a hard</p> <p>2 perception to change."</p> <p>3 Do you see that?</p> <p>4 A. I do.</p> <p>5 Q. And do you understand Charley to be</p> <p>6 questioning whether or not Walgreens should</p> <p>7 actually do a study because you don't know what the</p> <p>8 results of the study would be beforehand?</p> <p>9 MR. SWANSON: Object to form, foundation.</p> <p>10 BY THE WITNESS:</p> <p>11 A. I can't speak to Charley's intent. He</p> <p>12 wrote the e-mail. I didn't.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. Do you not recognize that to be a</p> <p>15 concern that he's raising?</p> <p>16 A. I recognize that on any given day, as</p> <p>17 I've mentioned before, there is debates that go on</p> <p>18 amongst my colleagues and I about pros and cons of</p> <p>19 any different number of policy proposals, research</p> <p>20 associated with them, et cetera.</p> <p>21 Q. So, yes, he is raising a concern that</p> <p>22 the study might show that people like other</p> <p>23 people's programs better than Walgreens?</p> <p>24 MR. SWANSON: Object to form.</p>
<p style="text-align: right;">Page 259</p> <p>1 entrenched in our method."</p> <p>2 Do you see that?</p> <p>3 A. I see that sentence.</p> <p>4 Q. Okay. At this point in time Walgreens</p> <p>5 also had a drug take-back program, correct? I'm</p> <p>6 sorry. CVS.</p> <p>7 A. CVS has a form of a drug take-back</p> <p>8 program.</p> <p>9 Q. Goes on to say, "Walmart and Rite Aid</p> <p>10 are now entrenched in theirs."</p> <p>11 Those two entities also have drug</p> <p>12 take-back programs, correct?</p> <p>13 A. They both have different things that</p> <p>14 they do to try to address unused medications.</p> <p>15 Q. Charley then writes or then asks, "So</p> <p>16 what happens when this preference study shows one</p> <p>17 over the other?" It says, "If their method doesn't</p> <p>18 work, it will just fade. And one advantage that</p> <p>19 we'll always have over it is they won't be able to</p> <p>20 do press releases with impressive tonnage of</p> <p>21 collection."</p> <p>22 Do you see that?</p> <p>23 A. I do.</p> <p>24 Q. He goes on to say, "But if a survey</p>	<p style="text-align: right;">Page 261</p> <p>1 BY THE WITNESS:</p> <p>2 A. Yeah, again, Charley wrote the e-mail.</p> <p>3 I didn't. I think he is trying to point out pros</p> <p>4 and cons is probably how I would characterize what</p> <p>5 I'm trying to interpret that he's saying.</p> <p>6 BY MR. GADDY:</p> <p>7 Q. But one of the pros that he points out</p> <p>8 is that Walgreens always has the ability to point</p> <p>9 to the tonnage of medication it's collected,</p> <p>10 correct?</p> <p>11 A. That sentence does in fact say, yes, one</p> <p>12 advantage is that we have an impressive tonnage</p> <p>13 collection, something that, as I have mentioned</p> <p>14 before, we have won awards for, received numerous</p> <p>15 commendations from a bunch of groups around the</p> <p>16 country for all of our work. So, yeah, I think</p> <p>17 we're pretty proud of the tonnage collection</p> <p>18 number.</p> <p>19 Q. I will object to the extent that was</p> <p>20 non-responsive to the question.</p> <p>21 That's something that Walgreens does</p> <p>22 quite a lot is mention or reference the number of</p> <p>23 tons of medication and I guess, frankly, medication</p> <p>24 plus containers that is collected, correct?</p>

<p style="text-align: right;">Page 262</p> <p>1 MR. SWANSON: Object to form.  2 BY THE WITNESS:  3 A. The goal of the Safe Medication Disposal  4 Program is to try to get unused medication out of  5 medicine cabinets, out of homes, away from  6 children, adolescents, et cetera. So, to the  7 extent that we talk about it, that is the goal.  8 BY MR. GADDY:  9 Q. I will show you what I'll mark as Kaleta  10 23, P-WAG-1903, Bates No. 611377.  11 (WHEREUPON, a certain document was  12 marked as Walgreens-Kaleta Exhibit  13 No. 23: 3/1/17 e-mail with  14 attachment; WAGMDL00611377 -  15 00611384.)  16 BY MR. GADDY:  17 Q. Do you recognize this as an e-mail that  18 was sent by Charley to you, Steven and your boss  19 Chuck Greener?  20 A. I recognize that it's an e-mail from  21 Charley to Steven, myself and Chuck, yes.  22 Q. And the subject of this e-mail is opioid  23 study?  24 A. That's correct.</p>	<p style="text-align: right;">Page 264</p> <p>1 that's being referenced in the other e-mail. I'm  2 just asking if this is a study that was sent to  3 you.  4 A. Yes. This was in fact a study that was  5 sent to me by e-mail.  6 Q. Did you read this study?  7 A. I did not.  8 Q. Do you read any of the studies that are  9 sent to you by e-mail?  10 A. Some. I get a lot of information.  11 Q. Okay. How do you pick what you read and  12 what you don't read?  13 A. I'm going to assume that in this  14 situation I probably asked Charley for a summary.  15 That's one of the main objectives of the policy  16 team is to summarize information in a more concise  17 way.  18 Q. Well, let's look at the study.  19 A. Okay.  20 Q. If you look at the first page, you see  21 this is in the Journal of the American Pharmacists  22 Association?  23 A. Okay.  24 Q. Do you see that at the top of the page?</p>
<p style="text-align: right;">Page 263</p> <p>1 Q. Okay. And earlier you had suggested, I  2 think in this last e-mail we just looked at, you  3 suggested the option of conducting a study to look  4 at drug take-backs, correct?  5 A. That's correct.  6 Q. And I don't know if this is the study  7 you were referencing, but actually such a study was  8 done, correct?  9 A. This is from 2017. The e-mail exchange  10 that we just went through is 2018.  11 Q. Sure. I think I just said I don't know  12 that this is the study that was being referenced  13 there. But this is such a study that was done?  14 A. I've never -- I've never read this  15 study. I'm not familiar with it.  16 Q. And this one was e-mailed to you also,  17 correct?  18 A. Yeah, I'm on the e-mail.  19 Q. Okay. But you didn't read this --  20 A. You picked two documents, one from 2017  21 and one from 2018, and you're trying to suggest  22 that the 2018 e-mail is referring to something else  23 and I'm just having trouble following you.  24 Q. Specifically said this isn't the study</p>	<p style="text-align: right;">Page 265</p> <p>1 Do you see that the title is  2 "A nationwide pharmacy chain responds to the opioid  3 epidemic"?  4 Do you see that?  5 A. I see that that's the title, yes.  6 Q. And do you know, before we get into  7 this, that they are talking about Walgreens here?  8 A. No.  9 Q. Okay.  10 A. I don't know who they are talking about.  11 Q. Okay. Go under the "Abstract" again.  12 Under "Objectives" do you see it says describe --  13 "The objective of the study is to describe the  14 three-pronged approach taken by a large national  15 retail pharmacy chain to address the opioid  16 epidemic and associated overdoses."  17 Do you see that?  18 A. I do.  19 Q. And if you go to "Practice Innovation,"  20 it says, "Initiated 3 programs to respond to the  21 opioid crisis, provide safe medication disposal  22 kiosks, expand national access to Naloxone and  23 provide education on the risk and avoidance of  24 opioid overdose."</p>

<p style="text-align: right;">Page 266</p> <p>1 Do you see that?</p> <p>2 A. Yes.</p> <p>3 Q. And is that consistent with your</p> <p>4 understanding of some of the programs that</p> <p>5 Walgreens has engaged in in the last two or three</p> <p>6 years?</p> <p>7 A. We have engaged in programs that are</p> <p>8 highlighted in those three bullets, yes.</p> <p>9 Q. And if you go down to the conclusion, do</p> <p>10 you see that it indicates, "The availability of the</p> <p>11 safe drug disposal kiosks, the naloxone dispensing</p> <p>12 at pharmacies and patient education are key</p> <p>13 prevention initiatives to address the opioid</p> <p>14 epidemic and reduce the increasing national burden</p> <p>15 of opioid overdose. Early results are</p> <p>16 quantitatively and qualitatively promising."</p> <p>17 Do you see that?</p> <p>18 A. I see that.</p> <p>19 Q. You weren't aware of this study?</p> <p>20 A. It rings a bell, but I can't say I've</p> <p>21 read it. I also notice that the date on this is</p> <p>22 2016 as well.</p> <p>23 Q. Okay.</p> <p>24 A. So, it's interesting that assuming that</p>	<p style="text-align: right;">Page 268</p> <p>1 appears that they are talking about Walgreens.</p> <p>2 Q. Okay. Go back to the first page of the</p> <p>3 e-mail from Charley, please.</p> <p>4 A. Okay.</p> <p>5 Q. It says, "Here is our study on the early</p> <p>6 impact of our programs within drug diversion and</p> <p>7 abuse. It is not a landmark result yet. That</p> <p>8 would be when we can tie the programs to decrease</p> <p>9 in mortality or morbidity. But a statement that</p> <p>10 our programs are a key prevention initiative to</p> <p>11 address the opioid epidemic can be a powerful early</p> <p>12 message."</p> <p>13 Do you see that?</p> <p>14 A. I do.</p> <p>15 Q. Do you know who performed the study?</p> <p>16 A. I don't.</p> <p>17 Q. If you look at the authors on the first</p> <p>18 page underneath the title, Emily Shafer, Nyahne</p> <p>19 Bergeron, Renae Smith-Ray. Do you know any of</p> <p>20 those individuals?</p> <p>21 A. I know Chester Robson.</p> <p>22 Q. And how do you know Chester Robson?</p> <p>23 A. He works at Walgreens.</p> <p>24 Q. Do you know that all these people work</p>
<p style="text-align: right;">Page 267</p> <p>1 this was Walgreens, which I don't know one way or</p> <p>2 the other whether it was or not, that we were</p> <p>3 studied. They did so when some of these programs</p> <p>4 were only just in their infant stages, but I'm not</p> <p>5 familiar with this study. So...</p> <p>6 Q. Turns --</p> <p>7 A. Just guessing.</p> <p>8 Q. Let's turn to the page, the Bates No. is</p> <p>9 379 in the bottom right. It's the very next page.</p> <p>10 And do you see right-hand column it says</p> <p>11 "Practice site." It indicates they are talking</p> <p>12 about Walgreens.</p> <p>13 Do you see that?</p> <p>14 A. I do.</p> <p>15 Q. Okay. And if you go down to the next</p> <p>16 heading, which is "Practice innovation," you see</p> <p>17 they talk about those three programs and, again,</p> <p>18 they are talking about Walgreens?</p> <p>19 A. I do.</p> <p>20 Q. Okay. Do you accept that they were</p> <p>21 looking at Walgreens when they did this study?</p> <p>22 MR. SWANSON: Object to form, foundation.</p> <p>23 BY THE WITNESS:</p> <p>24 A. Again, I haven't read the study, but it</p>	<p style="text-align: right;">Page 269</p> <p>1 at Walgreens?</p> <p>2 A. No. I did not know that.</p> <p>3 Q. Go to the last page of the document, if</p> <p>4 you don't mind. On the right-hand corner.</p> <p>5 A. Okay.</p> <p>6 Q. Do you see the --</p> <p>7 A. The last page of the document?</p> <p>8 Q. Correct.</p> <p>9 A. What's the page number?</p> <p>10 Q. 384 is the last.</p> <p>11 A. Okay.</p> <p>12 Q. Do you see the authors listed there?</p> <p>13 A. I do.</p> <p>14 Q. Do you see that all of them work at</p> <p>15 Walgreens?</p> <p>16 A. According to this, they're all listed as</p> <p>17 being with Walgreens.</p> <p>18 Q. So, the individuals that wrote the</p> <p>19 article that concluded that the early results of</p> <p>20 Walgreens programs are promising were all folks who</p> <p>21 work for Walgreens, correct?</p> <p>22 MR. SWANSON: Object to form.</p> <p>23 BY THE WITNESS:</p> <p>24 A. Again, I have not read the study. So...</p>



<p style="text-align: right;">Page 270</p> <p>1 BY MR. GADDY: 2 Q. Would you agree that if the study was 3 written by five individuals who worked for 4 Walgreens about a Walgreens study, that that would 5 not be an independent study? 6 MR. SWANSON: Object to form. 7 BY THE WITNESS: 8 A. I haven't read the study. 9 BY MR. GADDY: 10 Q. I'm not asking if you read the study. 11 A. I understand. 12 Q. Forget the study exists. Let's pretend 13 it's a study about cheeseburgers. If five people 14 that worked for McDonald's wrote a study about 15 McDonald's cheeseburgers, do you think that would 16 be an independent study? 17 MR. SWANSON: Object to form. 18 BY THE WITNESS: 19 A. I am not a hamburger expert. 20 BY MR. GADDY: 21 Q. I'm not asking you to be. I am asking 22 whether or not you think that would be an 23 independent study. 24 MR. SWANSON: Object to form.</p>	<p style="text-align: right;">Page 272</p> <p>1 anything, would you consider this to be an 2 independent study? 3 MR. SWANSON: Object to form. 4 BY THE WITNESS: 5 A. Again, I can't answer that question. 6 I've never read the study, so it's impossible for 7 me to say whether it's independent or not. 8 BY MR. GADDY: 9 Q. All these people, if they work for 10 Walgreens, are paid by Walgreens, right? 11 A. I don't know the answer to that. I know 12 Chester is paid by Walgreens. As I mentioned to 13 you, I don't know the other four individuals. I 14 assume that they, but I have no reason to -- some 15 of them may be part time, some of them may be 16 fellows. I have no idea. 17 Q. I show you what I will mark as Kaleta 18 24. 19 (WHEREUPON, a certain document was 20 marked as Walgreens-Kaleta Exhibit 21 No. 24: 5/19/16 e-mail string; 22 WAGMDL00600854 - 00600860.) 23 BY MR. GADDY: 24 Q. You see that this is an e-mail at the</p>
<p style="text-align: right;">Page 271</p> <p>1 BY THE WITNESS: 2 A. Yeah, I can't. I'm not a statistics 3 guy. I'm not a study guy. So, I don't know what 4 type of methodology can, should be used to evaluate 5 different programs and I have not read this, so I 6 can't comment on whether it was objective or not. 7 BY MR. GADDY: 8 Q. You have no opinion on whether or not an 9 article written by five individuals with the 10 company about a company program is an independent 11 study or not? 12 MR. SWANSON: Object to form. 13 BY THE WITNESS: 14 A. I am familiar with the American 15 Pharmacists Association. I don't know that I have 16 read any of their articles before. But I don't 17 know what the criteria are from the Journal of the 18 American Pharmacists Association. I don't know 19 what their editorial requirements are. I don't 20 know what their rationale is and who gets to do 21 studies and who doesn't. 22 BY MR. GADDY: 23 Q. In your mind, your personal opinion, not 24 your opinion as a statistician or an expert on</p>	<p style="text-align: right;">Page 273</p> <p>1 top of the page, it looks like it's a e-mail 2 between Casey Cesnovar and Sally West. Do you know 3 who that is? 4 A. Yes. I know who Casey Cesnovar and 5 Sally West are. 6 Q. Who is Sally? 7 A. Sally is a member of the Walgreens 8 government relations state team. 9 Q. If you go to the second page. 855 is 10 the Bates stamp. See at the bottom of the or about 11 halfway down the page, there is an e-mail from 12 Casey to the government relations team. 13 Do you see that? 14 A. I do. 15 Q. Okay. Is government relations, is that 16 a list-serve that all of you all are on? 17 A. Yes. 18 Q. So, you would have received this e-mail? 19 A. In theory, yes. 20 Q. It says, "All, I wanted to make sure you 21 saw the final tally on our take-back efforts with 22 law enforcement around national drug take-back 23 back. At the 50 plus locations Walgreens collected 24 roughly 8,815 pounds of unused medications. A nice</p>

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1 talking point to supplement our continued efforts  
2 aimed at reducing prescription drug abuse."  
3 Do you see that?  
4 A. I do.  
5 Q. Then in the response to that is an  
6 e-mail from Sally to Casey.  
7 Do you see that?  
8 Are you with me?  
9 A. Yeah, I have not read it.  
10 Q. Okay.  
11 A. Can I read it?  
12 Q. Sure, sure. Take your time.  
13 A. Okay.  
14 Q. And you see in the second paragraph it's  
15 talking about the possibility of doing a study with  
16 an entity that could come in and look at what  
17 actually gets picked up on the program.  
18 Do you see that?  
19 MR. SWANSON: Object on foundation grounds.  
20 BY THE WITNESS:  
21 A. So, this is the first time I have seen  
22 this e-mail obviously since I'm not on it. There  
23 is -- yeah, there is discussion about some type of  
24 study with different entities.

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1 BY MR. GADDY:  
2 Q. Okay. And at the bottom of that  
3 paragraph it says, "The goal is to find out if this  
4 is really a productive use of resources or will  
5 people just throw old Tylenol in there? Will be  
6 interesting to see if we move forward on this."  
7 Do you see that?  
8 A. I do see that.  
9 Q. Do you recall at all whether or not  
10 there was any proposal within Walgreens to actually  
11 do such a study and determine whether or not you  
12 all are actually collecting a significant amount of  
13 opioids?  
14 A. I don't recall this e-mail. We've  
15 obviously looked at other e-mails where I myself  
16 suggested potentially a study. So...  
17 I think the answer to your question is  
18 yes, I am aware of different conversations around  
19 different studies.  
20 Q. Did Walgreens ever decide to participate  
21 in any type of study, not just a general study, but  
22 specifically to determine what you're actually  
23 collecting in these take-back boxes?  
24 A. Not to my knowledge.

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1 Q. If you turn the page and actually go  
2 back to the first page and at the bottom of the  
3 page, you see in response to that e-mail from  
4 Cesnovar, correct?  
5 A. Yeah.  
6 Q. And in the bottom section of that e-mail  
7 he writes, "Another option would be for us to hook  
8 them," meaning Purdue, "in with our local partners  
9 here in Lake County, Illinois. They have been  
10 collecting and sorting the meds for some time and  
11 anecdotally I have heard that it is about 5%  
12 controls."  
13 Do you see that?  
14 A. I do.  
15 Q. Is this the first time that you're  
16 seeing or hearing that according to Casey, the  
17 Walgreens individual in charge of state government  
18 relations, is indicating that he's heard that it's  
19 about 5% of the drugs collected in these programs  
20 are controlled substances?  
21 MR. SWANSON: Object to form, foundation.  
22 BY THE WITNESS:  
23 A. Yeah, I have no idea what this is  
24 referring to. Is it the first time I've seen this

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1 e-mail? Yes.  
2 BY MR. GADDY:  
3 Q. Have you ever heard that 5% number  
4 before?  
5 MR. SWANSON: Object to form, foundation.  
6 BY THE WITNESS:  
7 A. Again, I don't know what the 5% is  
8 referring to.  
9 BY MR. GADDY:  
10 Q. Okay. When he says that these folks  
11 have been collecting and sorting the meds for some  
12 time and anecdotally he's heard it's about 5%  
13 controls, do you have any reason to agree or  
14 disagree with that?  
15 MR. SWANSON: Object to form, foundation,  
16 vague.  
17 BY THE WITNESS:  
18 A. I have no idea who he is referring to,  
19 who is collecting, who is sorting. And any time I  
20 see the word "anecdotal," from a government  
21 relations standpoint we tend to stay away from  
22 things that are associated with anecdotes.  
23 BY MR. GADDY:  
24 Q. Any reason to agree or disagree with

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1 that percentage of controlled substances that's  
 2 collected in your program?  
 3 MR. SWANSON: Objection; vague, foundation.  
 4 BY THE WITNESS:  
 5 A. I have no reason to agree or disagree  
 6 with that.  
 7 BY MR. GADDY:  
 8 Q. Prior to you becoming involved with the  
 9 drug take-back program in 2016, would you agree  
 10 that Walgreens was not doing anything as it related  
 11 to combating the opioid crisis?  
 12 MR. SWANSON: Object to form.  
 13 BY THE WITNESS:  
 14 A. No, I would not agree with that  
 15 statement.  
 16 BY MR. GADDY:  
 17 Q. We looked at some folks outside of  
 18 Walgreens who were negative about drug take-back  
 19 programs. Would you agree that you also got  
 20 pushback from within Walgreens about the prospects  
 21 of success of using drug take-back programs?  
 22 A. No, I wouldn't agree with that  
 23 statement.  
 24 Q. I'll show you what I will mark as

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1 Exhibit 25. This is P-WAG-1817, Bates No. 383497.  
 2 (WHEREUPON, a certain document was  
 3 marked as Walgreens-Kaletka Exhibit  
 4 No. 25: 10/22/15 e-mail string;  
 5 WAGMDL00383497 - 00383499.)  
 6 BY MR. GADDY:  
 7 Q. And if you would, turn to the second  
 8 page of that document, and about halfway down the  
 9 page you will see an e-mail from Rex Swords to  
 10 Richard Ashworth and Roxanne Flanagan.  
 11 Do you see that?  
 12 A. What page are you on?  
 13 Q. Second page.  
 14 A. 498?  
 15 Q. Correct.  
 16 A. Yes, I see an e-mail from Rex to  
 17 Richard, Roxanne and Rick Gates.  
 18 Q. Who is Rex Swords?  
 19 A. He works for Walgreens.  
 20 Q. What does he do for Walgreens?  
 21 A. I don't know what his title is right  
 22 now.  
 23 Q. Okay. He's on the operations side,  
 24 correct?

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1 A. Again, I don't know his exact  
 2 responsibility right now.  
 3 Q. You don't know what his -- what his  
 4 general duties are?  
 5 A. I believe Rex has been with the company  
 6 for a number of years and he continues to change  
 7 responsibilities. So, no, I can't speak to what  
 8 his responsibilities are right now.  
 9 Q. Outside of a professional relationship,  
 10 do you have a personal relationship with Rex?  
 11 A. I'm not sure I follow.  
 12 Q. A friendship?  
 13 A. Well, without being flip here, under our  
 14 HR empowerment surveys, typically are friends with  
 15 most of your colleagues.  
 16 Do we socialize together, is that your  
 17 question.  
 18 Q. Sure.  
 19 A. We've not socialized together.  
 20 Q. The subject of the e-mail is "Obama  
 21 announces massive push to curb opioid abuse, heroin  
 22 use."  
 23 Do you see that?  
 24 A. I do.

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1 Q. And Rex writes there, "FYI, I have the  
 2 team working on a nationwide drug take-back program  
 3 which we will bring through RxIC and we will  
 4 continue to partner with Rick's team to develop a  
 5 Naloxone program."  
 6 Do you see that?  
 7 A. Yes.  
 8 Q. Who is Richard Ashworth?  
 9 A. I believe Richard's title currently is  
 10 president of pharmacy and retail operations for  
 11 Walgreens.  
 12 Q. You believe that was his title at the  
 13 time, 2015, when this e-mail was sent?  
 14 A. I don't.  
 15 Q. What was he doing then?  
 16 A. I don't know what his title was. He was  
 17 in a somewhat similar capacity. He was probably a  
 18 senior vice president of at that time of pharmacy  
 19 and retail operations is my guess.  
 20 Q. It looks like he forwards this e-mail to  
 21 you and asks you for your thoughts, correct?  
 22 A. Yes.  
 23 Q. And if you flip back to the first page,  
 24 you respond with your thoughts, correct? Do you

<p style="text-align: right;">Page 282</p> <p>1 see that?</p> <p>2 A. Yes. But if I could just have a second</p> <p>3 to read this. It's been a while.</p> <p>4 Okay.</p> <p>5 Q. The second paragraph there starts, "Rick</p> <p>6 Gates and I."</p> <p>7 Do you see that?</p> <p>8 A. I do.</p> <p>9 Q. You say, "Rick Gates and I (and our</p> <p>10 teams) have been working on a comprehensive plan</p> <p>11 for the last few weeks on drug</p> <p>12 take-back/prescription abuse, including a meeting</p> <p>13 yesterday afternoon which also included Tasha."</p> <p>14 You go on to say, "I'm pleased to see</p> <p>15 Rex is on board as we have consistently had</p> <p>16 pushback from his folks on his team (as recently as</p> <p>17 yesterday), it costs too much, it won't make a</p> <p>18 difference and what CVS and others announced is all</p> <p>19 fluff."</p> <p>20 Do you see that?</p> <p>21 A. I do.</p> <p>22 Q. I asked you a few minutes ago whether or</p> <p>23 not you got any pushback from folks within</p> <p>24 Walgreens about the prospects of success of using a</p>	<p style="text-align: right;">Page 284</p> <p>1 time -- weeks, months, probably months for sure, on</p> <p>2 exploring different solutions related to drug</p> <p>3 disposal and they had raised a handful of different</p> <p>4 challenges, operational, cost, effectiveness; and</p> <p>5 then essentially out of the blue after an article</p> <p>6 was forwarded by Richard to Rex, he then jumped in</p> <p>7 to say that he was in the finishing stages of</p> <p>8 having the contours of a drug take-back program.</p> <p>9 So, my reference to "this is really</p> <p>10 rich" was that clearly Rex had come around to what</p> <p>11 we had been laying out encouraging him and his team</p> <p>12 to do.</p> <p>13 Q. So, he went from giving you pushback to</p> <p>14 an article coming out to him writing an e-mail to</p> <p>15 Richard saying that he was putting it together?</p> <p>16 A. I'm a really good lobbyist.</p> <p>17 Q. What do you mean by that?</p> <p>18 A. I mean obviously we had been working</p> <p>19 this issue internally. This was super-important to</p> <p>20 helping our patients. And change is hard. Change</p> <p>21 is hard in big companies. Different people in</p> <p>22 different companies have responsibilities to</p> <p>23 protect the bottom line, focus on patient safety,</p> <p>24 any number of different things.</p>
<p style="text-align: right;">Page 283</p> <p>1 program, and you told me you would not agree with</p> <p>2 that statement. You agree you got pushback from</p> <p>3 Rex on this program?</p> <p>4 A. So, I stand by my statement. I got</p> <p>5 pushback for real operational challenges on the</p> <p>6 program. So, that's how -- that's the reason I</p> <p>7 responded to your question in the manner I did.</p> <p>8 Q. Regardless, you got pushback from Rex on</p> <p>9 doing a drug take-back program, correct?</p> <p>10 A. We received feedback from Rex, from</p> <p>11 Tasha and others regarding some of our initial</p> <p>12 thoughts around the drug disposal program.</p> <p>13 Q. At the top of the page you forward this</p> <p>14 e-mail to Rick Gates. You say, "Wanted to make</p> <p>15 sure we were aware of this. That's really rich</p> <p>16 below on Rex's part, assume Tasha got to him? In</p> <p>17 any event, maybe now they'll be helpful moving</p> <p>18 forward."</p> <p>19 Do you see that?</p> <p>20 A. I do.</p> <p>21 Q. What did you mean when you said "That's</p> <p>22 really rich below on Rex's part"?</p> <p>23 A. We had been working with Rex and Tasha</p> <p>24 and their teams for -- I don't know what period of</p>	<p style="text-align: right;">Page 285</p> <p>1 A program that was essentially the first</p> <p>2 of its kind like this one obviously and not</p> <p>3 surprisingly had pushback initially.</p> <p>4 Q. Okay. And some of that pushback came</p> <p>5 from Rex?</p> <p>6 A. Yes. Rex raised different types of</p> <p>7 objections along with others early on about how the</p> <p>8 program would work, how it would be funded, what</p> <p>9 the costs involved would be, et cetera.</p> <p>10 Q. If you go back down to your e-mail at</p> <p>11 the bottom of the page, in the paragraph that</p> <p>12 starts "Bottom line," you say, "Bottom line, we</p> <p>13 need to have a plan and obviously need to be</p> <p>14 cognizant of the cost and impact on operations, but</p> <p>15 we can no longer do nothing."</p> <p>16 Do you see that?</p> <p>17 A. I do see that line.</p> <p>18 Q. I asked you a minute ago if you would</p> <p>19 agree that Walgreens was not doing anything before</p> <p>20 you started the take-back program. You told me you</p> <p>21 did not agree with that, but here in this e-mail</p> <p>22 you say that "We can no longer do nothing,"</p> <p>23 correct?</p> <p>24 MR. SWANSON: Object to form,</p>

<p style="text-align: right;">Page 286</p> <p>1 mischaracterizes.          2 BY THE WITNESS:          3 A. Agree. This is do nothing on take-back.          4 BY MR. GADDY:          5 Q. Okay.          6 A. We had not been doing anything          7 significant on take-back. We had been doing good          8 faith dispensing. We had been doing education. We          9 had been pushing for different bills at the state          10 and federal level to make electronic prescribing          11 more available in government programs.          12 There is a host of things we had been          13 doing to try to combat some of the challenges with          14 medications. What I'm referring to here is on          15 take-back.          16 Q. You were already selling meds pouches in          17 the stores for \$4 a pop, correct?          18 A. Right.          19 Q. So you were doing something?          20 A. Correct. But what I would say is that          21 the Medsaway pouches were -- were not being bought          22 that much. We would typically find them on the          23 shelves.          24 Q. Another issue that we have seen</p>	<p style="text-align: right;">Page 288</p> <p>1 A. I can't say for certain at those          2 locations you can, but I believe that's correct.          3 Q. We also talked about the fact that those          4 other pharmacies also have their own type of drug          5 take-back programs, correct?          6 A. Some of them do.          7 Q. I think we looked at the document that          8 talked about how CVS had one that they were          9 entrenched in and Walmart and Rite Aid also had          10 their own programs that they did drug take-back          11 for, correct?          12 MR. SWANSON: Object to form.          13 BY THE WITNESS:          14 A. Different pharmacies have different drug          15 take-back programs.          16 BY MR. GADDY:          17 Q. That's not something that's unique to          18 Walgreens?          19 A. So, actually, Rite Aid and CVS now have          20 essentially adopted our exact box with          21 specifications. Neither entity was really able to          22 figure out how to do it on any broad basis. So, is          23 it unique to Walgreens? The answer is yes.          24 We are still the leader by far, and both</p>
<p style="text-align: right;">Page 287</p> <p>1 mentioned and I think Walgreens has touted as their          2 response to the opioid crisis is the fact that they          3 dispense Narcan without a prescription, correct?          4 A. Yes. It's something that we have pushed          5 hard to increase the accessibility and availability          6 of Narcan.          7 Q. Earlier today I asked you about the          8 topics and I believe, tell me if I am wrong, but I          9 believe you told me that you had a lot of          10 involvement with take-backs but not as much          11 involvement with the Narcan?          12 A. Yes. Narcan typically is an issue that          13 is handled on a state-by-state basis as well as          14 with boards of pharmacy.          15 Q. The dispensing Narcan without a          16 prescription, that's not something that's unique to          17 Walgreens, correct?          18 A. Can you expand on your question?          19 Q. Sure. At CVS you can get Narcan without          20 a prescription, right?          21 A. Other pharmacies have done things to try          22 to make Narcan more accessible as well.          23 Q. Walmart, Rite Aid, you can get Narcan          24 without a prescription there also, correct?</p>	<p style="text-align: right;">Page 289</p> <p>1 Rite Aid as well as CVS actually used our          2 specifications. At the request of our CEO, we          3 worked with both of their teams to help make it          4 more available to both of those pharmacies.          5 MR. SWANSON: He was just suggesting a break,          6 either now or after this.          7 MR. GADDY: Now is fine. Sorry. I got          8 confused, but we are good now.          9 THE VIDEOGRAPHER: We are off the record at          10 2:13 p.m.          11 (WHEREUPON, a recess was had          12 from 2:13 to 2:28 p.m.)          13 THE VIDEOGRAPHER: We are back on the record          14 at 2:28 p.m.          15 BY MR. GADDY:          16 Q. Mr. Kaleta, as it relates to the Narcan          17 program, Walgreens is not giving away Narcan for          18 free, are they?          19 A. I don't believe so, no.          20 Q. Do you have any understanding about what          21 the cash price is for Narcan?          22 A. Limited.          23 Q. Okay. About \$130 sound right?          24 A. Don't know.</p>



<p style="text-align: right;">Page 290</p> <p>1 Q. I will show you what we will mark as  2 Kaleta 26.  3 MR. GADDY: Counsel, I only have two copies of  4 that. I'm missing one.  5 (WHEREUPON, a certain document was  6 marked as Walgreens-Kaleta Exhibit  7 No. 26: 8/12/16 e-mail string;  8 WAGMDL0044770 -- 00044773).  9 BY MR. GADDY:  10 Q. It's P-WAG-1839, Bates No. 44770.  11 And if you would, turn for me to the  12 third page of that e-mail, and about halfway down  13 this page you'll see an e-mail to that -- goes to  14 you and Casey.  15 Do you see that?  16 A. Yes.  17 Q. It says, "Hi Ed and Casey, hope you're  18 having a good week. I'm covering Naloxone/SafeMed  19 while Phil is out of the office." It says, "We  20 received a media inquiry from Bakersfield,  21 California regarding the Naloxone rollout in  22 central California. The reporter is looking to  23 confirm if Naloxone is still on track to be  24 available without a prescription in California by</p>	<p style="text-align: right;">Page 292</p> <p>1 Do you recognize this document as being  2 an e-mail on which you and Casey are copied? Do  3 you see that?  4 A. I do.  5 Q. And the subject of this e-mail is  6 "Funding for Naloxone training." Do you see that?  7 A. I do.  8 Q. And if you flip one page, you see a  9 PowerPoint presentation that is a Walgreens  10 presentation by Tasha Polster, "Naloxone Training  11 Funding Request."  12 Do you see that?  13 A. I do.  14 Q. If you flip the page one more time, do  15 you see a slide that says "Funding Needed to  16 Complete State Specific Training."  17 Do you see that?  18 A. I do.  19 Q. And the first one listed there is  20 California, which is where they got the request in  21 on that last e-mail we were looking at, correct?  22 A. I don't know.  23 Q. Well, we'll go back to it in a minute.  24 I'll represent to you that it was California.</p>
<p style="text-align: right;">Page 291</p> <p>1 end of year."  2 Do you see that?  3 A. I do.  4 Q. And if you flip back one page, do you  5 see up in the middle of the page, Natasha Polster  6 responds and she indicates, "For the Naloxone  7 without a patient specific prescription, our  8 program is the nasal formulation. I will defer to  9 Patty on the ETA for the California rollout. I  10 think we are still working through the funding for  11 the training of the pharmacists."  12 Do you see that?  13 A. I see that.  14 Q. Do you know what the cost was of the  15 training to train the pharmacists for this?  16 A. I do not.  17 Q. I'm going to show you Kaleta 27.  18 (WHEREUPON, a certain document was  19 marked as Walgreens-Kaleta Exhibit  20 No. 27: 4/27/16 e-mail string and  21 attachments; WAGMDL00603118 -  22 00603128.)  23 BY MR. GADDY:  24 Q. This is P-WAG-1973, Bates No. 603118.</p>	<p style="text-align: right;">Page 293</p> <p>1 A. Okay.  2 Q. And if I'm wrong, then we'll fix it in a  3 minute.  4 A. Okay.  5 Q. See the top row there is for California,  6 correct?  7 A. That's what it looks like.  8 Q. And it indicates the number of  9 pharmacists that Walgreens has in California? Do  10 you see that? Under "RPH Count"?  11 A. Yes.  12 Q. If you don't know, you don't know.  13 That's fine.  14 A. I don't. I know I was copied on the  15 e-mail, but this is the first time I've seen this  16 chart.  17 Q. Okay. You didn't have the opportunity  18 to open and review this presentation?  19 A. I don't recall doing so, no.  20 Q. Okay. If you go a couple columns over,  21 you see that there is a column titled "Number of  22 Stores."  23 Do you see that?  24 A. Yes, I do.</p>

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1 Q. And that the cost of training, which we  
 2 looked at in the last e-mail where Natasha was  
 3 working through some training issues, the cost of  
 4 training for California stores was \$25 per store  
 5 for training.  
 6 Do you see that?  
 7 A. I see that figure, yes.  
 8 Q. And do you accept my representation that  
 9 if you multiply the 674 stores times \$25 per store,  
 10 that you get a training cost of \$16,850.  
 11 Do you see that?  
 12 A. Okay. If you say that that's true.  
 13 Q. Okay. Would you agree that in the  
 14 scheme of things as it relates to Walgreens as a  
 15 company and the sales and revenue and profit that  
 16 Walgreens makes, \$16,850 is not a lot of money?  
 17 MR. SWANSON: Object to form.  
 18 BY THE WITNESS:  
 19 A. I would probably not be able to answer  
 20 that question. \$16,000 in the context of what? I  
 21 see a lot of numbers on this sheet. I see a  
 22 \$647,000 number. That's a big number as well. So,  
 23 there is -- there is a lot of big numbers on here.  
 24 BY MR. GADDY:

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1 Q. Do you see the cost of training for the  
 2 Walgreens store is \$25 a store, right?  
 3 A. For California.  
 4 Q. Right. And they even indicate in there  
 5 not per pharmacist, but just per store, correct?  
 6 MR. SWANSON: Object to form.  
 7 BY THE WITNESS:  
 8 A. Yeah, again, I've never read this chart.  
 9 So, I don't really know what it means. I've not  
 10 seen it before.  
 11 BY MR. GADDY:  
 12 Q. You don't have problem seeing or reading  
 13 or understanding the \$25 per store, do you?  
 14 A. It says \$25 per store for training, but  
 15 I don't know what "Not per" -- "Not per registered  
 16 pharmacist." I don't know what that nomenclature  
 17 means.  
 18 Q. Okay. Do you see that it says it's \$25  
 19 per store for training, not per pharmacist, right?  
 20 A. Again, I've never seen this chart  
 21 before. But okay. I'll believe that that's the  
 22 case.  
 23 Q. Okay. And then a little bit farther to  
 24 the left they also -- Natasha also indicated a

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1 labor cost, correct?  
 2 A. It looks like it says, "Labor dollar by  
 3 state."  
 4 Q. Okay. And do you accept my  
 5 representation that that would be the \$69 per hour  
 6 multiplied by the 1,534 pharmacists that Walgreens  
 7 has in California coming to \$106,000?  
 8 A. If you say so.  
 9 MR. SWANSON: Object to form.  
 10 BY MR. GADDY:  
 11 Q. And labor means the cost that Walgreens  
 12 has to actually pay the pharmacist, correct?  
 13 MR. SWANSON: Foundation objection.  
 14 BY THE WITNESS:  
 15 A. Yeah, I have no idea.  
 16 BY MR. GADDY:  
 17 Q. But regardless, the total cost for  
 18 Walgreens to do the training, taking into account  
 19 not only the time they have to have pay the  
 20 pharmacist to be on the clock to undergo the  
 21 training but also the \$25 per store, comes to  
 22 \$123,000 on the right side of the page, correct?  
 23 A. In the box all the way on the right, it  
 24 says training plus labor is \$123,324.94.

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1 Q. And did you note on the first page of  
 2 that PowerPoint that this is a presentation from  
 3 April 23, 2016?  
 4 A. I did not.  
 5 Q. You can look at that one more time.  
 6 A. Okay. Yes, that's what it looks like it  
 7 says.  
 8 Q. And let's go back to that last e-mail  
 9 that we were on. I think it was No. 26.  
 10 A. Um-hmm.  
 11 Q. It's the previous document. Sorry.  
 12 It's the previous document. Exhibit No. 26.  
 13 A. Oh.  
 14 Q. I think you have 27 in front of you.  
 15 A. Okay.  
 16 Q. You see that the timing of this  
 17 e-mail -- and let me just take you to a specific  
 18 place. See down in the bottom of the first page we  
 19 get another response saying, "Hey, sorry all.  
 20 Sorry to send another note on this but the deadline  
 21 for this is in 15 minutes. Are we comfortable  
 22 confirming publicly that our program for Naloxone  
 23 without a patient specific prescription is a nasal  
 24 formulation? Is that something we've already

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1 shared? Are you able to let me know what the  
2 expected rollout is for California? Are we on  
3 track to have full rollout by end of year?"  
4 Do you see that?  
5 A. Yes.  
6 Q. And this is an August 2016 e-mail,  
7 correct?  
8 A. That's what it says, yes.  
9 Q. This is about four months after we saw  
10 that proposal to get the \$123,000 training for the  
11 California funded?  
12 A. I guess, yes.  
13 Q. If you go back up, the very next e-mail  
14 up is the response from Tasha Polster.  
15 Do you see that?  
16 A. Yes.  
17 Q. It says, "Yes, I am comfortable for with  
18 the nasal formulation." It says, "Our goal is to  
19 have it rolled out in California by the end of the  
20 year, but the high cost of training is a barrier  
21 that we are working through. I'm not sure how you  
22 want to put that so we are highlighting our concern  
23 without looking like the bad guy for not doing the  
24 expensive training required by the state."

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1 Do you see that?  
2 A. I do.  
3 Q. Okay. Would you consider \$25 per store  
4 to be expensive?  
5 MR. SWANSON: Object to form, foundation,  
6 mischaracterizes.  
7 BY THE WITNESS:  
8 A. Yeah, I'm not sure what you're referring  
9 to.  
10 BY MR. GADDY:  
11 Q. Okay. We just looked at a slide that  
12 said it cost \$25 per store plus an hour of the  
13 pharmacist time to do the training. Do you recall  
14 that?  
15 A. I recall a chart that said \$647,000 for  
16 a bunch of training in a handful of different  
17 states.  
18 Q. Right. We're talking about California.  
19 A. Okay.  
20 Q. The question is do you think \$25 a store  
21 is expensive?  
22 MR. SWANSON: Object to form, foundation.  
23 BY THE WITNESS:  
24 A. So, not an operations person. But

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1 you're just reading one number off the chart.  
2 BY MR. GADDY:  
3 Q. I'm just asking if you think \$25 a store  
4 is expensive or not.  
5 MR. SWANSON: Foundation.  
6 BY MR. GADDY:  
7 Q. If you do, you do. If you don't, you  
8 don't.  
9 A. I don't have an opinion. I'm the  
10 government relations person. So I don't have an  
11 opinion on pharmacist training, education, anything  
12 associated with that.  
13 Q. I'll show you what I will mark as Kaleta  
14 28.  
15 (WHEREUPON, a certain document was  
16 marked as Walgreens-Kaleta Exhibit  
17 No. 28: 8/14/17 e-mail string;  
18 WAGMDL00385259 - 00385260.)  
19 BY MR. GADDY:  
20 Q. P-WAG-1850, Bates No. 385259.  
21 Do you recognize this as being an e-mail  
22 chain with you, Steve Gregory and Rick Gates on it?  
23 A. Yes.  
24 Q. Okay. And I'm going to start with your

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1 e-mail which is in the middle of the page to Rick  
2 and Steven. And before I ask you about your  
3 e-mail, I'm going to be candid with you, let you  
4 know I don't know if this is all your e-mail or not  
5 because you can see up at the very top Rick writes,  
6 "Steven, some thoughts below."  
7 A. Yeah.  
8 Q. So, he might have gone and supplemented  
9 your e-mail. Does that make sense?  
10 A. It does make sense.  
11 Q. Okay. So, do you remember this e-mail  
12 chain at all?  
13 A. A little bit.  
14 Q. Okay. Are you able to tell me whether  
15 or not the entire text under your e-mail is your  
16 writing or if Steve -- excuse me -- if Rick made  
17 some notes there?  
18 A. I can tell you that it is not all my  
19 writing.  
20 Q. Okay. So, Rick made some notes to some  
21 of the questions that you posed, correct?  
22 A. That's what it appears, yes.  
23 Q. Okay. So, you ask the question, and  
24 this was for a 5 p.m. call. Do you know who this

<p style="text-align: right;">Page 302</p> <p>1 call was with?</p> <p>2 A. I don't.</p> <p>3 Q. Okay.</p> <p>4 A. I don't.</p> <p>5 Q. For the 5 p.m. call, the first question</p> <p>6 was, "Do we think the price of Naloxone is too</p> <p>7 high?"</p> <p>8 The second question was, "Should HHS try</p> <p>9 to negotiate a lower price?"</p> <p>10 Do you see that?</p> <p>11 A. I do.</p> <p>12 Q. And HHS is what?</p> <p>13 A. Department of Health and Human Services.</p> <p>14 Q. The third question you posed is "Now</p> <p>15 that Trump has declared a national emergency, does</p> <p>16 that change any of our ideas?"</p> <p>17 Do you see that?</p> <p>18 A. I do.</p> <p>19 Q. Okay. And it looks like Rick -- and</p> <p>20 remind me where again, please, where Rick is on the</p> <p>21 hierarchy as far as the different departments.</p> <p>22 A. So, during this time I believe he was</p> <p>23 senior vice president of pharmacy operations.</p> <p>24 Q. And in response to your first question,</p>	<p style="text-align: right;">Page 304</p> <p>1 points underneath my questions, then the answer is</p> <p>2 yes. But I don't know that for sure.</p> <p>3 Q. They weren't your bullet points?</p> <p>4 A. I don't think so. They could also have</p> <p>5 been Steven's.</p> <p>6 Q. Okay. The next question that you posed</p> <p>7 is, "Should Health and Human Services try to</p> <p>8 negotiate lower price?"</p> <p>9 Do you see that?</p> <p>10 A. Yes.</p> <p>11 Q. And the response there is, "We are not</p> <p>12 at a price advantage currently."</p> <p>13 Do you see that?</p> <p>14 A. I do.</p> <p>15 Q. And does that indicate that you're right</p> <p>16 now not able to price these drugs lower than any of</p> <p>17 Walgreens' competitors?</p> <p>18 A. I don't know the answer to that.</p> <p>19 Q. Goes on to say, "That being said, under</p> <p>20 U &amp; C would limit how low we could go contractually</p> <p>21 as there is a blend." (As read.)</p> <p>22 Do you see that?</p> <p>23 A. I do.</p> <p>24 Q. You also mentioned when you talked about</p>
<p style="text-align: right;">Page 303</p> <p>1 Rick writes, "I would say that the best product</p> <p>2 lines" -- and, again, he is talking about Naloxone</p> <p>3 here, correct?</p> <p>4 A. It appears so, yes.</p> <p>5 Q. He says, "I would say the best product</p> <p>6 lines are relatively high."</p> <p>7 Do you see that?</p> <p>8 A. It says, yes, "I would say the best</p> <p>9 product lines are relatively high priced."</p> <p>10 Q. Thank you. High priced.</p> <p>11 He goes on to say that the Narcan nasal</p> <p>12 spray is covered on 96% of formularies.</p> <p>13 Do you see that?</p> <p>14 A. Yes.</p> <p>15 Q. Does that mean anything to you?</p> <p>16 A. It does. I mean, formularies are what</p> <p>17 the PBMs and health plans put together to decide</p> <p>18 which drugs get accepted. What I don't know, is he</p> <p>19 referring to Medicare, is he referring to Medicaid</p> <p>20 or commercial.</p> <p>21 Q. Regardless, he says the best product</p> <p>22 lines are relatively high priced when it comes to</p> <p>23 Naloxone, correct?</p> <p>24 A. If we assume that that was his bullet</p>	<p style="text-align: right;">Page 305</p> <p>1 the programs that Walgreens has instituted in the</p> <p>2 last two or three years revolving around opioid</p> <p>3 abuse, you mentioned, and we talked a lot about</p> <p>4 drug take-back, and you've also mentioned we talked</p> <p>5 a little bit now about Naloxone being available</p> <p>6 without a prescription.</p> <p>7 You've also mentioned educational</p> <p>8 handouts or something to that effect. Is that</p> <p>9 right?</p> <p>10 A. I think it was referenced in one of the</p> <p>11 e-mails.</p> <p>12 Q. Is that something you're familiar with?</p> <p>13 A. Not as much. We've had different</p> <p>14 programs around educational efforts, some that have</p> <p>15 had to do with the WE organization that were also</p> <p>16 referenced in some e-mails from much earlier today.</p> <p>17 But I'm not as familiar with some of those</p> <p>18 educational efforts.</p> <p>19 Q. I know we looked at a document today</p> <p>20 from the NACDS that laid out their positions, and</p> <p>21 one of their positions was that there should be</p> <p>22 educational packets funded by the pharmaceutical</p> <p>23 manufacturers and distributed at the time the drugs</p> <p>24 are dispensed.</p>

<p style="text-align: right;">Page 306</p> <p>1 Do you know if that program ever went  2 into place?  3 A. In terms of ever went into place?  4 Q. Is it in effect? Is that happening?  5 Are there educational materials being paid for by  6 the pharmaceutical manufacturers that relate to  7 opioids that are being distributed to patients at  8 Walgreens pharmacies?  9 A. I don't know.  10 Q. Do you know whether or not Walgreens  11 pharmacies are distributing any educational  12 information to patients who are being prescribed  13 opioids?  14 A. I do. I know that there is printed  15 information on the prescription pack that every  16 patient that gets an opioid receives as well as the  17 pharmacist has a consultation with the patient  18 about the potential dangers of opioids.  19 Q. Is that a governmental regulation thing?  20 Is that a Walgreens thing? Is that an  21 industry-wide thing?  22 A. I can't speak to the other pharmacies,  23 but it's a Walgreens program or programs I guess.  24 Q. Do you know an individual named Jeffrey</p>	<p style="text-align: right;">Page 308</p> <p>1 House event."  2 Do you see that?  3 A. Yes.  4 Q. Is this the type of statement, a  5 statement that a Walgreens executive would be  6 making at the White House, the type of thing that  7 you would bring Jeff Denny to help him draft those  8 remarks?  9 A. We have on occasion.  10 Q. And if you go down to the bottom of the  11 first page, you see his original e-mail and the  12 subject is "Opioid piece."  13 Do you see that?  14 A. I do.  15 Q. And he says, "Hey, I did my thing and  16 tried to work what Walgreens is doing into a  17 coherent narrative and include the most meaningful  18 stuff for the piece that you sent me."  19 Do you see that?  20 A. Yes.  21 Q. This is an October 2017 e-mail, correct?  22 A. Yes.  23 Q. So, at this point in time, over the last  24 year or so, you had been instituting the take-back</p>
<p style="text-align: right;">Page 307</p> <p>1 Denny?  2 A. Yes.  3 Q. Who is that?  4 A. Jeff Denny is an outside consultant for  5 Chuck Greener that helps with communications.  6 Q. And communications could be anything as  7 far as written statements, announcements, op-eds,  8 position papers, those types of things?  9 A. Et cetera, et cetera, et cetera, yes.  10 Wide scope.  11 Q. I show you what I'll mark as Kaleta 29.  12 (WHEREUPON, a certain document was  13 marked as Walgreens-Kaleta Exhibit  14 No. 29: 10/23/17 e-mail with  15 attachment; WAGMDL00385895 -  16 00385897.)  17 BY MR. GADDY:  18 Q. P-WAG-1856, Bates No. 385895.  19 Again, do you recognize this to be an  20 e-mail chain with you, Chuck Greener and Jeff Denny  21 on it?  22 A. Yes.  23 Q. And do you see the attached -- or excuse  24 me. The subject is, "Draft SP statement for White</p>	<p style="text-align: right;">Page 309</p> <p>1 program and also doing the Narcan dispensing,  2 correct?  3 A. That's correct.  4 Q. It says, "Notes. I aimed to fit or  5 bucket the welter of initiatives into a coherent  6 plan and strategies with three goals, ordered by  7 what we've done: deter, treat and prevent."  8 Do you see that?  9 A. I do.  10 Q. He goes on to say in the second bullet  11 point, it says, "As you indicated, a lot of stuff  12 in the piece you sent is national, in process, in  13 the weeds" -- excuse me -- "is notional, in  14 process, in the weeds or hard to explain as  15 meaningful." It says, "All in all, the substance  16 beyond kiosks and Naloxone is relatively weak."  17 Do you see that?  18 A. I do see that.  19 Q. Do you agree with that statement that  20 Jeff Denny makes about the programs that Walgreens  21 was involved in?  22 A. I do not.  23 MR. SWANSON: Object to form.  24 BY THE WITNESS:</p>



<p style="text-align: right;">Page 310</p> <p>1 A. He is not -- he is making a comment  2 about a piece of paper that had information on it  3 about some of our programs, and he's commenting on  4 that particular piece of paper, not on our  5 programs.  6 Q. If you go to the next page, do you see  7 the attachment and the draft statement that he was  8 putting together?  9 Do you see that?  10 A. Yeah.  11 Q. Again, this looks like this was a  12 statement that Walgreens Boots Alliance CEO was  13 going to be giving at the White House?  14 A. Uh-huh. Can you scroll up, please?  15 MR. SWANSON: You have it here.  16 BY MR. GADDY:  17 Q. Did this -- did Stefano Pessina actually  18 give a statement at the White House on this?  19 A. I don't remember. I don't think so. I  20 think it's possible we shared this with the White  21 House as part of their announcement on the  22 declaration of the national emergency.  23 Q. Do you see in the second paragraph there  24 it says, "Serving millions of customers and</p>	<p style="text-align: right;">Page 312</p> <p>1 combination products. Is that correct?  2 A. I may have to have my memory refreshed.  3 Q. Do you know what I'm talking about?  4 A. Vaguely.  5 Q. Okay. You remember we looked earlier at  6 some documents that were talking about different  7 schedules of drugs and whether they were II or III  8 and so and so forth?  9 A. I do.  10 Q. Do you recall generally that at one time  11 hydrocodone combination products were scheduled as  12 Schedule III?  13 A. I don't.  14 Q. Do you know what a hydrocodone  15 combination product is?  16 A. I don't.  17 Q. Do you know what types of drugs are in  18 Lortab?  19 A. I do not.  20 Q. Do you know what types of drugs are in  21 Vicodin?  22 A. I don't.  23 Q. Are those types of drugs that you've  24 heard of before, Lortab and Vicodin?</p>
<p style="text-align: right;">Page 311</p> <p>1 patients every day in communities across America,  2 the people of Walgreens understand the devastating  3 impact and tragedy of the opioid epidemic."  4 Do you see that?  5 A. I do.  6 Q. He goes on to say, "We embrace our  7 ability - and critical responsibility - as a  8 leading retail pharmacy provider on the front lines  9 of healthcare to marshal our resources and take  10 bold and aggressive action to address the opioid  11 crisis."  12 Do you see that?  13 A. I do.  14 Q. And you agree with that statement, don't  15 you, that Walgreens has a critical responsibility  16 to take bold and aggressive action to address the  17 opioid crisis?  18 MR. SWANSON: Object to form and foundation.  19 BY THE WITNESS:  20 A. I agree with that statement.  21 BY MR. GADDY:  22 Q. Another issue that you have addressed  23 that relates to opioids in your time as a lobbyist  24 for Walgreens is the scheduling of hydrocodone</p>	<p style="text-align: right;">Page 313</p> <p>1 A. I've heard of Vicodin.  2 Q. I will show you what I'll mark as Kaleta  3 30.  4 (WHEREUPON, a certain document was  5 marked as Walgreens-Kaleta Exhibit  6 No. 30: Lobbying Report;  7 P-WAG-00040.)  8 BY MR. GADDY:  9 Q. Do you recognize this document?  10 A. I don't.  11 Q. Do you know what a Lobbying Report is?  12 A. I do.  13 Q. Do you have to fill out the Lobbying  14 Reports?  15 A. Can you be more specific?  16 Q. Do you complete and generate these forms  17 yourself or does somebody do that for you?  18 A. Somebody does it for --  19 Q. Okay.  20 A. Has done it for me. This one is from  21 2013.  22 Q. Correct. You understand that as a  23 lobbyist, you have to report in a public nature or  24 generate for a public report the issues on which</p>

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1 you lobby and the bills on which you lobby? Do you  
2 understand that?  
3 A. I do.  
4 Q. Okay. And if we look at the first  
5 page of this report, at the top box there is a  
6 registrant name and it says Walgreens Company?  
7 A. Correct.  
8 Q. If we go down to the type of report, we  
9 see that it's the year 2013, I think this is the  
10 first quarter, correct?  
11 A. Correct.  
12 Q. And you have to report this information  
13 quarterly?  
14 A. Correct.  
15 Q. And in the box below that, on the  
16 right-hand column, you have to indicate how much  
17 money was spent lobbying in the first quarter.  
18 Do you see that?  
19 A. Yes.  
20 Q. And it was indicated here that Walgreens  
21 spent \$590,000 lobbying in the first quarter of  
22 2013, correct?  
23 A. Yes.  
24 Q. If you turn the page, you see at the top

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1 it says "Lobbying Activity"?  
2 A. Yes.  
3 Q. And then under No. 16 you have to list  
4 the specific lobbying issue that you were lobbying  
5 on, correct?  
6 A. Yes.  
7 Q. And the issue that was being lobbied on  
8 here by Walgreens was the Safe Prescribing Act of  
9 2013 and it says, "All provisions regarding  
10 amendment of the Controlled Substance Act to make  
11 any substance containing hydrocodone a Schedule II  
12 drug."  
13 Do you see that?  
14 A. I do.  
15 Q. And below there you have to indicate who  
16 you were lobbying, and you indicate that you were  
17 lobbying the U.S. House of Representatives and the  
18 U.S. Senate, correct?  
19 A. Yes.  
20 Q. And then even below that you have to  
21 indicate the names of the individuals who are  
22 actually doing the lobbying. Do you see that?  
23 A. I do.  
24 Q. And your name is listed there, correct?

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1 A. It is.  
2 Q. You understand that -- do you dispute  
3 that you were lobbying on a bill that was -- that  
4 was looking to reschedule hydrocodone products to  
5 Schedule II?  
6 A. I think if you look at this LD-2 report,  
7 all three, Debbie Garza, Ed Kaleta and Alethia  
8 Jackson, are listed under all the issues. We had a  
9 general practice in our office that we would list  
10 all individuals on all the issues, but that doesn't  
11 mean that all of us were spending more of our time  
12 on all of the issues. So, we did segment issues  
13 out.  
14 I personally did not spend a lot of time  
15 on the Safe Prescribing Act of 2013. I spent a lot  
16 more time on medication therapy management and the  
17 Marketplace Fairness Act.  
18 Q. Okay. Do you know whether or not you  
19 did any lobbying whatsoever on this particular bill  
20 that was seeking to reschedule hydrocodone products  
21 as Schedule II?  
22 A. I don't recall. I may have.  
23 Q. Was Walgreens in favor of or against the  
24 rescheduling of hydrocodone from III to II?

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1 MR. SWANSON: Object to form.  
2 BY THE WITNESS:  
3 A. I don't -- I don't remember.  
4 BY MR. GADDY:  
5 Q. Excuse me for a minute. I'm not wanting  
6 to ask you questions about something you don't know  
7 about. So, I'm trying to get through this.  
8 A. Okay.  
9 Q. Who would be the best person for us to  
10 ask about Walgreens' position on the rescheduling  
11 of hydrocodone?  
12 A. Back in 2013? Debbie Garza.  
13 Q. Is she still with the company?  
14 A. She is not.  
15 Q. Do you know where she is now?  
16 A. I think she's somewhere in Texas.  
17 Q. I was asking you earlier today about  
18 some of the interactions that you have with -- with  
19 DEA, and I think you told me that the first time  
20 you really had much interaction with DEA was back  
21 in late '15 or early '16 as you were starting to  
22 work through some of the drug take-back programs.  
23 Is that right?  
24 A. Correct.

<p style="text-align: right;">Page 318</p> <p>1 Q. I show you what I'll mark as Exhibit 31. 2 (WHEREUPON, a certain document was 3 marked as Walgreens-Kaletka Exhibit 4 No. 31: 3/2/12 e-mail string; 5 WAGMDL00642592 - 00642594.) 6 BY MR. GADDY: 7 Q. And you were just mentioning Debbie 8 Garza. It looks like this is an e-mail that was 9 sent from her to several folks and you were copied 10 on the e-mail? 11 A. Yes. It looks like I was. 12 Q. And it looks like down at the bottom, 13 there is an e-mail and it's from March of 2012 and 14 it was a recap of the drug diversion hearing. 15 Do you see that? 16 A. I see the header, yes. 17 Q. And back in March of 2012, obviously 18 you're getting this e-mail, but did you have any 19 involvement with the DEA back then? 20 A. I did not. 21 Q. Do you recall receiving this e-mail 22 about this hearing that happened in front of the 23 DEA back in 2012? 24 A. I don't.</p>	<p style="text-align: right;">Page 320</p> <p>1 other trade organizations including the NACDS. 2 Do you see that? 3 A. I do. 4 Q. Do you -- do you know Joe Rannazzisi? 5 A. I do not. 6 Q. Have you had any -- 7 A. I know who he is, but I don't know him 8 personally or professionally. 9 Q. In what context do you know who he is? 10 A. He was the guy that was on the 11 60 Minutes story a couple, several months ago. 12 Q. Okay. Prior to seeing him on the 13 60 Minutes story, did you know who he was? 14 A. No. 15 Q. Had you ever heard of him before that? 16 A. I don't recall. I mean, obviously, I 17 got this e-mail with him in it. But no, I don't 18 remember his name. 19 Q. You never had any interactions with him? 20 A. No. 21 Q. Did you know whether or not he was 22 involved at all in the DEA action against the 23 Walgreens distribution center in Jupiter, Florida 24 that contained a lot of the allegations that we</p>
<p style="text-align: right;">Page 319</p> <p>1 Q. Okay. It indicates that "The House 2 Energy and Commerce Subcommittee on Commerce, 3 Manufacturing and Trade held a hearing this 4 Thursday, March 1, 2012 titled 'Prescription Drug 5 Diversion: Combating the Scourge.' 6 Do you see that? 7 A. Yes. 8 Q. At this time frame, in March of 2012, 9 you were lobbying for Walgreens, correct? 10 A. Yes. 11 Q. Would you agree that none of your 12 lobbying activities at this time had to do with the 13 opioid crisis? 14 A. Not that I can recall. In 2012, no. 15 Q. And you see in the next paragraph that 16 there was three panels of witnesses that testified. 17 The first panel included one individual, the second 18 panel included several State Attorney Generals as 19 well as Joe Rannazzisi with the DEA. 20 Do you see that? 21 A. Yes, I do see that now that it's 22 highlighted. 23 Q. And then it goes on to say the third 24 panel contained the president of the HDMA and some</p>	<p style="text-align: right;">Page 321</p> <p>1 went through this morning? 2 A. I did not know one way or the other. 3 Q. If you go to the next page, in the 4 middle of the page there is a paragraph that says, 5 "During the second panel." 6 Do you see that? 7 A. Okay. 8 Q. It says, "During the second panel, the 9 DEA witness, Rannazzisi, emphasized in his 10 testimony that diversion from the pharmaceutical 11 supply chain is the primary source for drugs that 12 are abused, and called upon distributors, 13 physicians and pharmacies to meet their obligations 14 under the Controlled Substance Act." 15 Do you see that? 16 A. I do. 17 Q. "He was asked what he saw as a big 18 problem, and he stated the pharmacists had not been 19 doing their due diligence with regards to the 20 public. He stated that they were not checking the 21 validity of the prescriptions and they simply chose 22 not to get involved and have failed to do their 23 jobs." 24 Do you see that?</p>

<p style="text-align: right;">Page 322</p> <p>1 A. I do.</p> <p>2 Q. In response to receiving this e-mail,</p> <p>3 this summary of this hearing, do you recall whether</p> <p>4 or not you or anybody else in your department were</p> <p>5 asked to take any action or do anything as it</p> <p>6 relates to the DEA or these allegations about</p> <p>7 distributors and pharmacies?</p> <p>8 MR. SWANSON: Object to form.</p> <p>9 BY THE WITNESS:</p> <p>10 A. I can't speak to anybody else. I don't</p> <p>11 believe I was asked to do anything that I recall.</p> <p>12 BY MR. GADDY:</p> <p>13 Q. I show you what I will mark as</p> <p>14 Exhibit 32.</p> <p>15 (WHEREUPON, a certain document was</p> <p>16 marked as Walgreens-Kaletka Exhibit</p> <p>17 No. 32: 1/29/16 e-mail string with</p> <p>18 attachment; WAGMDL0000613455 -</p> <p>19 00613467.)</p> <p>20 BY MR. GADDY:</p> <p>21 Q. Do you see this document?</p> <p>22 A. Yes. I see this document.</p> <p>23 Q. And if you see down at the bottom of the</p> <p>24 page, the subject of an e-mail from you to Carol</p>	<p style="text-align: right;">Page 324</p> <p>1 restart the clock with us."</p> <p>2 Do you see that?</p> <p>3 A. I do.</p> <p>4 Q. And she then goes on to say, "A couple</p> <p>5 months ago when they began outreach, the DEA said</p> <p>6 we could bring five people and did not stipulate</p> <p>7 this was an association representative only</p> <p>8 meeting. A couple weeks ago they told Kevin that."</p> <p>9 Do you see that?</p> <p>10 A. I do.</p> <p>11 Q. And this process of meeting or</p> <p>12 interacting Walgreens and the DEA, was that</p> <p>13 something that had been a frustration of yours or</p> <p>14 other folks at Walgreens for some time?</p> <p>15 MR. SWANSON: Object to form.</p> <p>16 BY THE WITNESS:</p> <p>17 A. I just don't know that I can recall.</p> <p>18 What I can recall is that different folks inside</p> <p>19 the company felt that the DEA was always very</p> <p>20 difficult to work with. So, I think that was the</p> <p>21 context for my e-mail.</p> <p>22 BY MR. GADDY:</p> <p>23 Q. Okay. And that was an attitude -- first</p> <p>24 off, when we are talking about the DEA folks, we</p>
<p style="text-align: right;">Page 323</p> <p>1 Kelly and Kevin Nicholson is "DEA meeting."</p> <p>2 Do you see that?</p> <p>3 A. Yes.</p> <p>4 Q. And you say, "Can you shed a little</p> <p>5 light on why the DEA meeting is now NACDS only?</p> <p>6 After a lot of happy talk from them, this does not</p> <p>7 send a signal that they are serious about working</p> <p>8 more collaboratively with pharmacy chains."</p> <p>9 Do you see that?</p> <p>10 A. I see that.</p> <p>11 Q. What are you referring to there?</p> <p>12 A. I don't know. I'd have to take a moment</p> <p>13 to read this.</p> <p>14 So, I'd have to read the testimony. I</p> <p>15 assume he's just that somehow -- again, I don't</p> <p>16 know what's in his testimony. I don't remember.</p> <p>17 But so I can't say for certain.</p> <p>18 Q. Okay. That's fair. But per your e-mail</p> <p>19 here, DEA was meeting with NACDS but not meeting</p> <p>20 individually with Walgreens, correct?</p> <p>21 A. That's what the e-mail says.</p> <p>22 Q. And she responds there, "Ed, good</p> <p>23 question. I think they are working their way</p> <p>24 through how to best interact with industry as they</p>	<p style="text-align: right;">Page 325</p> <p>1 are talking about people whose -- whose primary job</p> <p>2 as it relates to these opioids is to prevent these</p> <p>3 drugs from getting into the hands of people that</p> <p>4 aren't supposed to have them. Correct?</p> <p>5 MR. SWANSON: Object to form.</p> <p>6 BY THE WITNESS:</p> <p>7 A. I think the DEA has a whole lot of</p> <p>8 responsibilities, some of -- a small portion of</p> <p>9 which I'm familiar with, but I don't know their</p> <p>10 full scope.</p> <p>11 BY MR. GADDY:</p> <p>12 Q. You would agree that one of the roles</p> <p>13 that the DEA plays is trying to prevent drugs from</p> <p>14 getting into the hands of people that aren't</p> <p>15 supposed to have them?</p> <p>16 A. I believe that one of their goals is to</p> <p>17 help with drug diversion.</p> <p>18 Q. You agree that some of the -- some of</p> <p>19 the DEA agents who do their job spend their careers</p> <p>20 fighting drug abuse or diversion or harm that comes</p> <p>21 from drug abuse. Do you agree with that?</p> <p>22 MR. SWANSON: Object to form.</p> <p>23 BY THE WITNESS:</p> <p>24 A. I can't speak to what DEA agents do or</p>

<p style="text-align: right;">Page 326</p> <p>1 don't do over the course of their career and  2 anything related to that.  3 BY MR. GADDY:  4 Q. Would you agree that their job and their  5 task of preventing diversion is important?  6 A. Yes.  7 Q. Would you agree that it's something that  8 they should take seriously?  9 A. I would hope so.  10 Q. I think we've looked at some documents  11 as a part of this that indicate that they've for a  12 period of time been involved in their own take-back  13 program, correct?  14 A. Yes.  15 Q. And that's something that Walgreens  16 would support, correct?  17 A. We support most programs revolving  18 around take-back. I think one of the challenges we  19 have with the DEA take-back programs is that  20 they're typically at police stations and there is a  21 lot of folks, a lot of patients of ours that have  22 given feedback that that's not the place that they  23 are necessarily interested in visiting with  24 opioids.</p>	<p style="text-align: right;">Page 328</p> <p>1 Do you see that?  2 A. I do.  3 Q. This is the program that we were just  4 talking about that they hold on occasion to try to  5 take back unwanted medications, correct?  6 A. Yes.  7 Q. Okay. And they say the first thing  8 there is, "One of the few ways to discard addictive  9 painkillers and other pills so they won't be stolen  10 or abused is through temporary disposal sites  11 people can use free and anonymously."  12 Do you see that?  13 A. I see that sentence, yes.  14 Q. And then it goes on to say, "The DEA  15 will again provide a nationwide outlet on Saturday  16 when it holds its 14th National Prescription Drug  17 Take-Back Day."  18 Do you see that?  19 A. I do.  20 Q. And if you go down to the bottom of the  21 page, it says, "Disposing of leftover painkillers  22 or other addictive medicines in the house is one of  23 the best ways to prevent a member of your family  24 from becoming a victim of opioid epidemic. More</p>
<p style="text-align: right;">Page 327</p> <p>1 Q. The fact that they collect unwanted  2 medications generally you would take the position  3 is a good thing?  4 A. Yes. It is a good thing. We wish their  5 hours were broader. We wish it occurred more often  6 and we wish there were permanent solutions, similar  7 to what we ended up doing with our take-back  8 program.  9 Q. I'm going to show you what I'm going to  10 mark as Kaleta 33.  11 (WHEREUPON, a certain document was  12 marked as Walgreens-Kaleta Exhibit  13 No. 33: 10/27/17 e-mail string;  14 WAGMDL00386743 - 00386745.)  15 BY MR. GADDY:  16 Q. P-WAG-1858, Bates No. 386743.  17 Do you see this is an e-mail that was  18 forwarded to you regarding a DEA drug take-back  19 day?  20 A. Yes.  21 Q. And do you see, if we start halfway down  22 the page, the title of the article that was  23 forwarded to you was "DEA will hold Drug Take-Back  24 Day to snag unused opioids."</p>	<p style="text-align: right;">Page 329</p> <p>1 people start down the path of addiction through the  2 misuse of opioid prescription drugs than any other  3 substance."  4 Do you see that?  5 A. I do see that.  6 Q. Do you agree with that statement?  7 A. "More people start down the path of  8 addiction through the misuse of opioid prescription  9 drugs than any other substance." I would say in my  10 personal capacity I would generally -- I'm not -- I  11 don't have extensive knowledge to back up what the  12 DEA acting administrator is saying, but I generally  13 agree with both of those sentences.  14 Q. It says, "The abuse of these  15 prescription drugs has fueled the nation's opioid  16 epidemic which has led to the largest rate of  17 overdose deaths this country has ever seen."  18 Do you see that?  19 A. I do.  20 Q. And do you recall that earlier today we  21 looked at the settlement agreement and the order to  22 show cause between Walgreens and the DEA. Do you  23 recall that?  24 A. I do.</p>



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1 Q. And do you recall that we read some  
2 examples through there of opioids being shipped in  
3 high volumes to Walgreens stores in Florida?  
4 MR. SWANSON: Object to form.  
5 BY THE WITNESS:  
6 A. Yeah, again, I hadn't seen the  
7 settlement until this morning. So I'm not familiar  
8 with what's in it, facts, et cetera.  
9 BY MR. GADDY:  
10 Q. You don't recall that we looked at that  
11 this morning?  
12 A. We looked at a bunch of numbers dealing  
13 with pharmacies in Florida. That was -- that's  
14 about all I can speak to.  
15 Q. You recall that or do you recall I  
16 should say that the order to show cause that we  
17 looked at indicated that Walgreens was the number  
18 one distributor of oxycodone to Florida for the  
19 three years leading up to the settlement?  
20 A. I don't recall that, actually. It may  
21 be true, but I don't recall that.  
22 Q. But you do recall that the DEA initiated  
23 an investigation and that ultimately Walgreens paid  
24 \$80 million to settle that?

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1 A. I'm not familiar with the first portion  
2 about -- I mean, I don't know the facts, but I do  
3 recall from this morning from what you showed me  
4 that Walgreens had an \$80 million settlement.  
5 Q. And it looks like this e-mail was  
6 forwarded to you by your wife, correct?  
7 A. It appears so, yes.  
8 Q. And what was your response to her when  
9 she sent you this e-mail?  
10 A. So, I've put a lot of blood, sweat and  
11 tears into Walgreens safe medication disposal  
12 project, I think as we have discussed over the last  
13 several hours.  
14 One of the drawbacks with the DEA  
15 take-back days, which are held now twice a year, is  
16 they only list DEA-approved locations on their  
17 website.  
18 Q. Mr. Kaleta, I just asked what your  
19 response was.  
20 A. So, I'm getting to it.  
21 So, as a result, on the national  
22 take-back day back in 2017, if you went to their  
23 website, you wouldn't come up with all of the  
24 boxes, roughly 5 to 600, that had been installed by

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1 Walgreens at that time.  
2 The only thing you can find is the  
3 temporary locations that the DEA mans once or twice  
4 a year, which, as I pointed out, a lot of our  
5 patients are not comfortable going to a police  
6 station to return their drugs.  
7 In addition, a lot of our patients made  
8 it very clear it's hard to go at 10 a.m. on a  
9 Saturday morning once a year.  
10 What disappointed me with the DEA is  
11 that they were not willing to show the Walgreens  
12 take-back boxes that were permanent and that folks  
13 could go to year round. So, rather tongue in  
14 cheek, I responded to my wife that I was displeased  
15 with the DEA.  
16 Q. Well, you didn't say that you were  
17 displeased with the DEA, did you?  
18 A. Sure I did.  
19 Q. What did you say?  
20 A. I said the "DEA can suck it."  
21 Q. And that's the attitude within Walgreens  
22 as it relates to the DEA, isn't it?  
23 MR. SWANSON: Object to form.  
24 BY THE WITNESS:

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1 A. Absolutely not.  
2 BY MR. GADDY:  
3 Q. That's the attitude --  
4 A. If anything, this demonstrates my  
5 passion for the take-back program and, again,  
6 questions why a government agency wouldn't be more  
7 willing to have permanent take-back boxes  
8 highlighted as part of their once or twice-a-year  
9 effort.  
10 Q. You testified just a minute ago that the  
11 attitude within Walgreens was frustration with the  
12 DEA. Is that fair?  
13 MR. SWANSON: Object to form.  
14 BY THE WITNESS:  
15 A. No.  
16 MR. SWANSON: Mischaracterizes testimony.  
17 BY THE WITNESS:  
18 A. Yeah, that's not fair. There is  
19 frustrations within Walgreens employees. There is  
20 frustration with Walgreens and outside folks. But  
21 you are referring very vaguely to a question you  
22 asked me that was very specific.  
23 BY MR. GADDY:  
24 Q. Anyway, this is how you decided to

<p style="text-align: right;">Page 334</p> <p>1 express your frustration towards the DEA as it          2 relates to this particular issue, correct?          3 A. That is correct.          4 Q. Another issue that you looked at was the          5 potential for Walgreens pharmacists to be          6 designated as non-physician providers under          7 Medicare.          8 Do you know what I am speaking of there?          9 A. Can you give me a little more detail.          10 Q. Well, I'm asking you because I don't          11 have a lot of detail, but I could show you a          12 document if that might help.          13 MR. GADDY: This is going to be Kaleta 34.          14 (WHEREUPON, a certain document was          15 marked as Walgreens-Kaleta Exhibit          16 No. 34: 3/2/18 e-mail string with          17 attachment; WAGMDL0000644179 -          18 00644182.)          19 BY MR. GADDY:          20 Q. And do you see at the bottom of the          21 page there is an e-mail from you. The subject is          22 "Language on pharmacist interventions to prevent          23 prescription drug abuse."          24 Do you see that?</p>	<p style="text-align: right;">Page 336</p> <p>1 bill numbers. This is one of the more late, later          2 efforts that we then focused on.          3 Q. Can you explain to me what that means          4 for a pharmacist to be a non-physician provider?          5 A. So, right now under the Medicare program          6 pharmacists are not recognized as non-physician          7 providers, similar to a nurse, a nurse anesthetist,          8 a podiatrist. As a result, pharmacists are not          9 able to be paid for any services that could help          10 Medicare or Medicaid patients.          11 So, we have been trying to change the          12 law to allow for pharmacists to do more than put          13 pills in a bottle and do medication adherence          14 counseling and help with some of the things that          15 we're able to do with opioids. We want to go          16 deeper on all of those areas, and so the different          17 iterations of the bill would have tackled that in          18 different ways.          19 Q. Okay. There is no dispute that right          20 now, I mean, a pharmacist can talk to a physician          21 about the medication that they're dispensing to          22 them, correct?          23 A. Correct.          24 Q. And if a pharmacist is dispensing</p>
<p style="text-align: right;">Page 335</p> <p>1 A. I do.          2 Q. And this is actually -- this actually is          3 an e-mail from you, correct?          4 A. That's correct.          5 Q. And you say in the first paragraph, "We          6 wanted to share the attached language we have been          7 working on."          8 And then in the next paragraph you say,          9 "We believe this is a great opportunity to          10 demonstrate why now is the time for pharmacists to          11 be in the game and help with the opioid crisis,          12 while granting them status as non-physician          13 providers."          14 Do you see that?          15 A. I do.          16 Q. Does that ring a bell as to what I was          17 asking about a minute ago?          18 A. So, the reason I was asking for          19 clarification is because I've been working on          20 trying to have pharmacists become non-physician          21 providers for the better part of five years, and          22 unfortunately we have been unsuccessful to date.          23 There has been different iterations of          24 that -- those efforts, different bills, different</p>	<p style="text-align: right;">Page 337</p> <p>1 opioids, they can certainly talk to the patient          2 about the risk and the potential for addiction or          3 abuse or misuse related to that prescription,          4 correct?          5 A. Yes.          6 Q. And it would be appropriate for a          7 pharmacist to talk to that patient about drugs such          8 as Narcan which could be available to reverse any          9 type of overdose that somebody was experiencing,          10 correct?          11 A. Can you repeat the question.          12 Q. Sure. It would also be appropriate for          13 a pharmacist to talk to a patient about the          14 availability of a drug such as Narcan, which could          15 potentially reverse the effects of any overdose          16 that was related to any opioid prescription that          17 was dispensed by the pharmacist?          18 MR. SWANSON: Object to the form on that.          19 BY THE WITNESS:          20 A. It -- I don't know if I'd agree with          21 your use of the term "appropriate."          22 There is a great deal that goes on at          23 the pharmacy counter. There is in some situations          24 not always an opportunity to have a confidential</p>

<p style="text-align: right;">Page 338</p> <p>1 conversation with a patient. There is a number of          2 different responsibilities that a pharmacist has to          3 perform at the pharmacy counter.          4 And I think we have argued to          5 policymakers that pharmacists need to be given the          6 opportunity to be more engaged in medication          7 adherence, which includes in some cases adherence          8 to opioids.          9 Q. But no doubt that as the law is right          10 now, pharmacists are permitted to talk to patients          11 about their opioid prescriptions that they're          12 dispensing to them, correct?          13 A. Are pharmacists permitted to talk to          14 patients about -- yes, they are permitted. But          15 they're also permitted to do a whole bunch of other          16 things under state scope of practice laws and          17 they're not able to do those.          18 Q. If you flip through the document, you          19 attached it looks like some language that Walgreens          20 was proposing, correct?          21 A. Yes.          22 Q. On this issue. And the language that          23 you're adding is what's underlined there, correct?          24 A. That's correct.</p>	<p style="text-align: right;">Page 340</p> <p>1 eligible to be paid for this counseling that they          2 would have been doing with patients, correct?          3 A. Pharmacists would have been paid for          4 more extensive counseling as well as actually          5 training around Naloxone.          6 Q. And that was payment that would have          7 gone to Walgreens for the benefit of Walgreens          8 programs and Walgreens pharmacists, correct?          9 MR. SWANSON: Object to form.          10 BY THE WITNESS:          11 A. The payment would go to the pharmacy I          12 believe.          13 BY MR. GADDY:          14 Q. Pharmacy is Walgreens?          15 A. That's correct.          16 MR. GADDY: Brian, if we can take a break. I          17 might be about done with the fact portion of the          18 deposition.          19 MR. SWANSON: He was just asking for a break,          20 so good timing.          21 THE VIDEOGRAPHER: We are off the record at          22 3:24 p.m.          23 (WHEREUPON, a recess was had          24 from 3:24 to 3:44 p.m.)</p>
<p style="text-align: right;">Page 339</p> <p>1 Q. And it starts on the first page, and it          2 is lettered there A through D; and if you go to the          3 next page, you see subsection E, and then it goes          4 on to the next section, correct?          5 A. Yeah, I think I follow.          6 Q. I'm on the back page. I'm sorry.          7 A. Okay.          8 Q. It wasn't the smoothest way to do that.          9 The last section that's been added is          10 section (b) for payment, correct?          11 A. The last section (b) says "Payment,"          12 that's correct.          13 Q. And under subsection 2, it indicates          14 that, "With respect to pharmacist services, the          15 amounts paid shall be equal to 80% of the lesser of          16 the actual charge or 85% of the fee schedule amount          17 provided under Section 1848 if such services had          18 been furnished by a physician."          19 Do you see that?          20 A. I do.          21 Q. Did I read that correctly?          22 A. Yes.          23 Q. If this bill that Walgreens was pushing          24 would have passed, pharmacists would have been</p>	<p style="text-align: right;">Page 341</p> <p>1 THE VIDEOGRAPHER: We are back on the record          2 at 3:44 p.m.          3 BY MR. GADDY:          4 Q. Mr. Kaleta, I'm just going to go over          5 one more document, and then I'll be done with the          6 fact portion of your deposition.          7 We've talked earlier today about the          8 significance of the statistics related to opioid          9 overdose, opioid deaths. Do you remember those          10 types of things?          11 A. I do.          12 Q. Have you had the opportunity to review          13 any of the CDC data on the prevalence of opioid          14 overdoses or opioid deaths over time?          15 A. Have I had the chance to review any of          16 the CDC data? Is that your question?          17 Q. Correct.          18 A. I have definitely seen CDC data over          19 time.          20 Q. I think we have seen it from time to          21 time Walgreens would quote CDC data in some of its          22 one-pagers or things like that, correct?          23 A. Yes.          24 Q. I'm going to show you what I'm going to</p>

<p style="text-align: right;">Page 342</p> <p>1 mark as Kaleta 35.          2 (WHEREUPON, a certain document was          3 marked as Walgreens-Kaleta Exhibit          4 No. 35: 1999 - 2016 maps, National          5 Center for Health Statistics,          6 National Vita Statistics System,          7 mortality data.)          8 BY MR. GADDY:          9 Q. And this is P-GEN-61, Kaleta 35. I'm          10 going to represent to you that this -- you can see          11 down at the bottom of the page it says, "Source:          12 National Center for Health Statistics, National          13 Vital Statistics System, mortality data."          14 Do you see that?          15 A. Yes.          16 Q. And do you see in the address next to          17 that they get this information from CDC?          18 A. Yes.          19 Q. Do you understand what mortality means?          20 A. I believe it means like the death rate.          21 Q. Okay. So, you understand that this          22 deals with the rate of deaths, and I will represent          23 to you that these maps are showing the rates of          24 death related to drug overdoses.</p>	<p style="text-align: right;">Page 344</p> <p>1 Q. Okay. You weren't with Walgreens in          2 1999, correct?          3 A. I was not.          4 Q. As we flip through these slides, do you          5 see the next page indicates the death rate for          6 2000?          7 A. Yes.          8 Q. And then if we flip it again, do you see          9 it goes to 2001?          10 A. Yes.          11 Q. And again, you see it goes to 2002?          12 A. Yes.          13 Q. Flip again, it goes to 2003.          14 Do you see that?          15 A. Yes.          16 Q. Are you noticing the maps start to          17 change as we go through time?          18 A. Yes.          19 Q. What is happening?          20 A. You mean what's happening on the map?          21 Q. Correct.          22 A. Well, it appears that the certain parts          23 of the country, the estimated age-adjusted death          24 rate is going up.</p>
<p style="text-align: right;">Page 343</p> <p>1 Do you see that?          2 A. Yes.          3 Q. And do you see if we look at the map, on          4 the right-hand side of the page, there's a key, if          5 you will, up at the top with the dark -- dark          6 color, the dark blue indicates that per 100 people,          7 less than 2 individuals died of a drug-related          8 overdose death.          9 As you get on down to the bottom and the          10 color lightens and turns a darker red, it means          11 more people have died from drug-related overdoses.          12 Do you see that?          13 A. Yes.          14 Q. And do you see that in 1999 on this          15 first slide here, with a few rare examples, most of          16 the country is pretty blue?          17 A. Yes.          18 Q. And that would indicate that, with the          19 few rare examples, there are not a lot of drug          20 overdoses happening across the country here in          21 1999.          22 Do you see that?          23 A. That seems to be what the data          24 represents.</p>	<p style="text-align: right;">Page 345</p> <p>1 Q. That means more people are dying from          2 drug-related overdose deaths, correct?          3 A. I believe so, yes.          4 Q. If you turn, you see that that trend          5 continues in 2004?          6 A. Yes.          7 Q. It appears to continue in 2005?          8 MR. SWANSON: Object to form.          9 BY MR. GADDY:          10 Q. Do you see that?          11 A. It appears at very quick glance that          12 that's what the chart is trying to show, yes.          13 Q. As you get to 2006, do you begin to see          14 a circle of red forming in what I think we have          15 seen referred to before as the Appalachia region?          16 A. I believe so.          17 Q. And that would be the areas that we          18 looked at in some earlier Walgreens documents where          19 you -- some of the Walgreens documents had the          20 states of Ohio, Kentucky and West Virginia as -- as          21 indicated of locations of larger amounts of          22 overdose deaths.          23 MR. SWANSON: Object to form.          24 BY MR. GADDY:</p>

<p style="text-align: right;">Page 346</p> <p>1 Q. Correct?</p> <p>2 MR. SWANSON: Sorry. Object to form.</p> <p>3 BY THE WITNESS:</p> <p>4 A. I do recall earlier documents singling</p> <p>5 out a handful of states. West Virginia was one of</p> <p>6 them.</p> <p>7 BY MR. GADDY:</p> <p>8 Q. As we go to 2007 and then again in 2008,</p> <p>9 do you see that that trend of an increase in</p> <p>10 overdose-related deaths continues?</p> <p>11 MR. SWANSON: Object to form.</p> <p>12 BY THE WITNESS:</p> <p>13 A. It appears that the numbers continue to</p> <p>14 increase.</p> <p>15 BY MR. GADDY:</p> <p>16 Q. Do you see as we go to 2009 and then to</p> <p>17 2010 that that red blotch in the Appalachian region</p> <p>18 of Ohio, West Virginia and Kentucky has become</p> <p>19 larger and darker over the last few years?</p> <p>20 A. Yeah, I mean, I can't speak to the scale</p> <p>21 or how much larger, but it looks to be larger from</p> <p>22 '08 to 2010, 2011.</p> <p>23 Q. And if you go to the next slide, in</p> <p>24 2011, that was the data when you first started at</p>	<p style="text-align: right;">Page 348</p> <p>1 Estimated age-adjusted death rate per 100,000.</p> <p>2 BY MR. GADDY:</p> <p>3 Q. You agree that from the -- from the</p> <p>4 information that you're seeing in this map here</p> <p>5 that the -- the number of people who were dying</p> <p>6 from drug overdoses in 2011 has increased from the</p> <p>7 number of people that were dying in 1999?</p> <p>8 A. That appears to be the case.</p> <p>9 Q. And you agree that in 2011 you continue</p> <p>10 to see the red, the dark red blotch in the</p> <p>11 Appalachian area of Ohio, West Virginia and</p> <p>12 Kentucky?</p> <p>13 A. Yes.</p> <p>14 Q. And I think I asked you about this</p> <p>15 earlier. But when you started with Walgreens in</p> <p>16 2011, did anybody with Walgreens sit down with you</p> <p>17 and have a talk with you about the rate of overdose</p> <p>18 deaths, drug-related overdose deaths happening in</p> <p>19 our country?</p> <p>20 A. In 2011?</p> <p>21 Q. Correct, when you started with the</p> <p>22 company.</p> <p>23 A. I don't recall specific conversations</p> <p>24 about the drug overdose rate, no.</p>
<p style="text-align: right;">Page 347</p> <p>1 Walgreens, correct?</p> <p>2 A. I started at Walgreens in 2011, that's</p> <p>3 correct.</p> <p>4 Q. And if you'll -- just quickly, just grab</p> <p>5 the whole packet and look at the very first slide,</p> <p>6 1999.</p> <p>7 A. Okay.</p> <p>8 Q. And then look at the 2011 slide that we</p> <p>9 were just on.</p> <p>10 A. Okay.</p> <p>11 Q. How would you characterize the</p> <p>12 difference from 1999 to 2011?</p> <p>13 MR. SWANSON: Object to form.</p> <p>14 BY THE WITNESS:</p> <p>15 A. It looks different.</p> <p>16 BY MR. GADDY:</p> <p>17 Q. How does it look different?</p> <p>18 A. Well, obviously the colors have changed.</p> <p>19 Q. Okay. What do the change of colors</p> <p>20 indicate?</p> <p>21 A. Estimated --</p> <p>22 MR. SWANSON: Object to form.</p> <p>23 BY THE WITNESS:</p> <p>24 A. Yeah, I mean, estimated -- I can read.</p>	<p style="text-align: right;">Page 349</p> <p>1 Q. In -- again, I think I asked you this</p> <p>2 earlier, but you don't recall in 2011 that any</p> <p>3 particular portion of your lobbying agenda related</p> <p>4 to opioid abuse?</p> <p>5 A. Me personally, no. I had a very fairly</p> <p>6 narrow set of issues that I was at that point</p> <p>7 advocating on behalf of.</p> <p>8 Q. In fact, I think you told us -- well,</p> <p>9 strike that.</p> <p>10 If we flip through to the next year,</p> <p>11 2012, do you see the map continues to change?</p> <p>12 A. Yes.</p> <p>13 Q. And the rate of drug overdose deaths</p> <p>14 continues to increase in the country, correct?</p> <p>15 A. That's what it appears from the chart.</p> <p>16 Q. And if you flip one more time to 2013,</p> <p>17 do you see that it appears that the number of drug</p> <p>18 overdose deaths in the country continues to</p> <p>19 increase, correct?</p> <p>20 MR. SWANSON: Object to form.</p> <p>21 BY THE WITNESS:</p> <p>22 A. It's hard to tell to flip so quickly,</p> <p>23 but it appears that, yes, some of the numbers are</p> <p>24 getting darker.</p>



<p>Page 350</p> <p>1 BY MR. GADDY:</p> <p>2 Q. And, in fact, 2013 is the year that we</p> <p>3 talked about earlier when Walgreens paid an</p> <p>4 \$80 million fine to the DEA relating to allegations</p> <p>5 that it had violated the Controlled Substance Act.</p> <p>6 Do you recall that?</p> <p>7 MR. SWANSON: Object to form.</p> <p>8 BY THE WITNESS:</p> <p>9 A. I don't recall if it was 2012 or 2013.</p> <p>10 BY MR. GADDY:</p> <p>11 Q. Okay. Well, you recall that we saw that</p> <p>12 order to show cause that was served in September of</p> <p>13 2012 that indicated that Walgreens continuing to</p> <p>14 operate a drug distribution system in the State of</p> <p>15 Florida was an imminent threat to the public health</p> <p>16 and safety. Do you recall that?</p> <p>17 MR. SWANSON: Object to form.</p> <p>18 BY THE WITNESS:</p> <p>19 A. I don't. I recall a document that was</p> <p>20 put before me this morning that I had not seen</p> <p>21 before, most of which I was not familiar with.</p> <p>22 BY MR. GADDY:</p> <p>23 Q. Okay. Well, let's talk about that for a</p> <p>24 second.</p>	<p>Page 352</p> <p>1 Q. Okay. You don't -- you're not familiar</p> <p>2 with any of those allegations from down in Florida</p> <p>3 in 2009, 2010, 2011, 2012 that led to that</p> <p>4 \$80 million settlement, are you?</p> <p>5 A. I'm not.</p> <p>6 MR. SWANSON: Object to form.</p> <p>7 BY MR. GADDY:</p> <p>8 Q. You don't even have an understanding of</p> <p>9 the rules and regulations that relate to Walgreens</p> <p>10 acting as a distributor up until 2013 about</p> <p>11 suspicious order monitoring programs or due</p> <p>12 diligence requirements. You don't have an</p> <p>13 understanding of that, do you?</p> <p>14 A. I don't have knowledge of that.</p> <p>15 Q. In fact, you don't even have an</p> <p>16 understanding of what a hydrocodone combination</p> <p>17 product is. Is that fair?</p> <p>18 A. Yes. That's fair.</p> <p>19 Q. And that's true even though you're</p> <p>20 listed on a lobbying disclosure where Walgreens</p> <p>21 spent \$590,000 lobbying against the change of</p> <p>22 hydrocodone combination products from being changed</p> <p>23 from III to II, correct?</p> <p>24 MR. SWANSON: Object to form, foundation.</p>
<p>Page 351</p> <p>1 So, you right now are championing some</p> <p>2 of Walgreens' efforts to fight back against the</p> <p>3 opioid crisis, correct?</p> <p>4 A. I think that's a fair characterization,</p> <p>5 yes.</p> <p>6 Q. Okay. But you don't know really</p> <p>7 anything about the settlement between Walgreens and</p> <p>8 the DEA in 2013, do you?</p> <p>9 A. Not very much, no.</p> <p>10 Q. Okay. We were talking just before the</p> <p>11 break about Walgreens' efforts to increase the</p> <p>12 abilities of its pharmacists to do certain tasks.</p> <p>13 Do you recall that?</p> <p>14 A. I do.</p> <p>15 Q. And we read through some of the</p> <p>16 statistics from Florida in this 2013 settlement</p> <p>17 about some of the actions at some of the pharmacies</p> <p>18 down in Florida.</p> <p>19 Do you recall that from this morning?</p> <p>20 MR. SWANSON: Object to form.</p> <p>21 BY THE WITNESS:</p> <p>22 A. I recall references to pharmacies down</p> <p>23 in Florida. That's about it.</p> <p>24 BY MR. GADDY:</p>	<p>Page 353</p> <p>1 BY THE WITNESS:</p> <p>2 A. No, that form showed that we had spent</p> <p>3 \$590,000 in I believe it was the first quarter of</p> <p>4 2012 on a host of different issues. It wasn't just</p> <p>5 one. Medication therapy management was included, a</p> <p>6 retail issue on the free and fair markets</p> <p>7 initiative, which dealt with online sales tax.</p> <p>8 That was part of what we were lobbying on as well.</p> <p>9 BY MR. GADDY:</p> <p>10 Q. Regardless, you were on that form and</p> <p>11 you don't know what a hydrocodone combination</p> <p>12 product is, correct?</p> <p>13 A. As I mentioned before, we typically try</p> <p>14 to be as --</p> <p>15 Q. Mr. Kaleta, I asked if you were on the</p> <p>16 form or not.</p> <p>17 A. So, I am going to explain.</p> <p>18 We try to be overly compliant with the</p> <p>19 LD-2 forms, and it's better to overreport than to</p> <p>20 underreport. So, as I mentioned, different</p> <p>21 colleagues worked on different issues, but we</p> <p>22 typically listed all of us on the LD-2 reports.</p> <p>23 Q. Were you listed on the form?</p> <p>24 A. Yes.</p>

<p style="text-align: right;">Page 354</p> <p>1 Q. Do you know what a hydrocodone 2 combination product is? 3 A. I do not. But I may have at one point. 4 That was six years ago. 5 Q. You don't know about the Walgreens 6 settlement with the DEA. You don't know about the 7 rules and requirements for a distributor. You 8 don't know about what a hydrocodone combination 9 product is. 10 Do you feel that Walgreens has given you 11 the adequate information and tools that you need to 12 do your job to be an authority figure on talking 13 about Walgreens' response to the opioid crisis? 14 MR. SWANSON: Object to form. 15 BY THE WITNESS: 16 A. Can you repeat the question? 17 BY MR. GADDY: 18 Q. No. I'll move on. 19 As you flip through this document, you 20 see in 2014 the rate of overdose deaths increase 21 yet again? 22 A. It appears so. 23 Q. Again, if you flip into 2015, it appears 24 that they continue to increase?</p>	<p style="text-align: right;">Page 356</p> <p>1 the drug take-back program in 2016, that's correct. 2 Q. As we look at this map here in 2016 and 3 we see the rates of death across the country, are 4 you ready to say that this is a crisis or an 5 epidemic? 6 MR. SWANSON: Object to form. 7 BY THE WITNESS: 8 A. I think that we've seen different 9 documents that we've used and shared with members 10 of Congress and staff on the Hill that have 11 referenced an opioid crisis. 12 BY MR. GADDY: 13 Q. We have, Mr. Kaleta, but I've asked you 14 several times throughout the course of the 15 deposition today if you would call this an opioid 16 crisis or an opioid epidemic, and you've 17 consistently neglected to do so. 18 I'm asking you here, looking at this map 19 for the 2016 drug overdose rate across the country, 20 would you call this a crisis or an epidemic? 21 MR. SWANSON: Object to form. 22 BY THE WITNESS: 23 A. I would repeat what I just shared with 24 you, which is that in a number of documents that</p>
<p style="text-align: right;">Page 355</p> <p>1 MR. SWANSON: Object to form. 2 BY THE WITNESS: 3 A. Again, flipping quickly and not having 4 seen these charts before, it does appear that 5 colors are getting darker in a handful -- a number 6 of parts of the country. 7 BY MR. GADDY: 8 Q. And that means that more people are 9 dying, right? 10 A. That's what this chart indicates, yes. 11 Q. And in 2016 is the last chart we have 12 and you see that, once again, it appears that the 13 rate of overdose deaths continue to rise across the 14 country. 15 Do you see that? 16 MR. SWANSON: Object to form. 17 BY THE WITNESS: 18 A. It does appear that, yes, that's 19 correct. 20 BY MR. GADDY: 21 Q. And in 2016 is when for the first time 22 Walgreens rolls out their drug take-back program 23 that you were in charge of. That happened in 2016? 24 A. I had responsibility for a portion of</p>	<p style="text-align: right;">Page 357</p> <p>1 we've seen today we used the term "opioid crisis." 2 Your definition of epidemic may be different than 3 mine. My definition of crisis may be different. 4 But we've used the term "opioid" trying to combat 5 the opioid crisis. 6 Q. Let me be a little bit more clear. I'm 7 not asking Walgreens. I'm asking Ed Kaleta. 8 Looking at this map in 2016 and the drug 9 overdose rate across the country, is this a crisis 10 or an epidemic? 11 MR. SWANSON: Object to form. 12 BY THE WITNESS: 13 A. Yeah, I don't know what the distinction 14 is. So, I don't want to -- I can't agree with a 15 term that I don't know how it's defined. 16 What I can tell you is we've used the 17 term "opioid crisis" in documents to help explain 18 what it is we're trying to accomplish. 19 MR. GADDY: Mr. Kaleta, I don't have any more 20 questions as it relates to your fact deposition. 21 THE WITNESS: Okay. 22 MR. SWANSON: We can stay on the record. This 23 is Brian Swanson for Walgreens, as you know, 24 Mr. Kaleta. I just have a few questions to sort of</p>

<p style="text-align: right;">Page 358</p> <p>1 tie up some loose ends, and I hope I won't take          2 long.          3 EXAMINATION          4 BY MR. SWANSON:          5 Q. If I can, if you can just leave the map          6 that you were looking at from Kaleta Exhibit 35 in          7 front of you.          8 You were looking at the 2016 map, and          9 Mr. Gaddy asked you repeatedly today whether you          10 would consider this an epidemic or a crisis.          11 Whatever term you want to use, is the          12 number of estimated age-related deaths per 100,000          13 people that's shown in this map something that          14 troubles you?          15 A. Yes.          16 Q. Is it something that in your career and          17 your time at Walgreens you have taken efforts to          18 try to combat?          19 A. Yes.          20 MR. GADDY: Objection; form.          21 BY THE WITNESS:          22 A. Yes.          23 BY MR. SWANSON:          24 Q. And I want to return to just a few of</p>	<p style="text-align: right;">Page 360</p> <p>1 May of 2011, were you doing, to your recollection,          2 any lobbying or policy work on opioids?          3 A. Not to my recollection, no.          4 Q. At some point in your career at          5 Walgreens did you become involved in lobbying for          6 or discussing policy relating to opioids?          7 A. Yes.          8 Q. Mr. Gaddy had asked you several          9 questions about when you joined Walgreens whether          10 you were provided with certain documents, including          11 a GAO report and some other reports from the early          12 2000s relating to opioids.          13 Do you recall those questions?          14 A. I do.          15 Q. Whether you saw the specific documents          16 that Mr. Gaddy showed you, over your time at          17 Walgreens were you provided with information that          18 you felt allowed you to lobby on behalf of          19 Walgreens and its patients regarding opioids?          20 MR. GADDY: Objection; form.          21 BY THE WITNESS:          22 A. As my responsibilities increased and the          23 issue portfolio increased, I was definitely able to          24 have access to and be proactively provided with</p>
<p style="text-align: right;">Page 359</p> <p>1 those efforts that you or Walgreens have undertaken          2 momentarily, but first I want to just set the time          3 parameters a bit.          4 You joined Walgreens in what year?          5 A. May of 2011.          6 Q. And we didn't spend a lot of time          7 talking about it, but can you tell us what position          8 you held when you first joined Walgreens in May of          9 2011?          10 A. So, my title was senior director of          11 federal government relations and I lobbied on at          12 that point a fairly limited scope of issues.          13 Q. And what does that mean, you lobbied on          14 a fairly limited scope of issues?          15 A. We had different responsibilities when          16 the -- within the office. So, my boss, the vice          17 president, Debbie Garza, lobbied on a handful of          18 issues that we were not aware of. A lot of          19 information wasn't shared with us.          20 Typically we were lobbying in 2011 for          21 medication therapy management as well as a handful          22 of retail issues that affect our business.          23 Q. And I think you said, but I'll ask you          24 again. Did you, when you joined Walgreens in</p>	<p style="text-align: right;">Page 361</p> <p>1 information related to opioid abuse as well as a          2 number of other issues.          3 BY MR. SWANSON:          4 Q. Now, if you can, and maybe I can help          5 you out a little bit here, this stack of documents,          6 I just want to ask you about a couple of documents          7 that were referenced earlier today.          8 The first is Kaleta Exhibit 3. So, I'll          9 give everybody a moment to pull that out.          10 A. Kaleta Exhibit 3. Okay.          11 Q. And Mr. Gaddy referenced certain          12 snippets from the document; and I just want to, for          13 the sake of completeness, look at a few other          14 sections in the e-mail chain. Is that fair?          15 A. Sure.          16 Q. If you look at the e-mail on the          17 page that ends in 790 in the bottom right.          18 A. Yes.          19 Q. And if you'll recall, this was the          20 e-mail where Ms. Stone was reaching out to you to          21 try to get some data on abuse, prescription drug          22 abuse statistics for 11-to-16-year-olds. Do you          23 recall that?          24 A. Yes.</p>

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1 Q. And can you read for us on Friday,  
2 June 2, 2017 what your response was to Ms. Stone's  
3 request?  
4 A. "Lauren, good question. I've copied  
5 Steven Gregory who heads up our policy group to  
6 help find the answer to your question and sharing  
7 resources for more information. I strongly support  
8 the idea of opioid abuse prevention and education  
9 for CSR/WE in light of all we are doing on our  
10 take-back program, et cetera. Thanks, Ed."  
11 Q. Was that your view at the time, that you  
12 personally strongly supported the idea of opioid  
13 abuse prevention and education?  
14 MR. GADDY: Objection to form.  
15 BY THE WITNESS:  
16 A. Yes.  
17 BY MR. SWANSON:  
18 Q. Has that been your view throughout your  
19 time at Walgreens?  
20 MR. GADDY: Objection to form.  
21 BY THE WITNESS:  
22 A. I don't know that I could say I've  
23 always strongly supported the idea of opioid abuse  
24 prevention because I didn't work on those issues

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1 initially; but when I was exposed to the larger  
2 issue set and then realized increased  
3 responsibility, it was -- basically became one of  
4 the top priorities that I would spend a great deal  
5 of time on.  
6 Q. What is CSR/WE?  
7 A. CSR is corporate social responsibility  
8 and WE is a partnership that we were pursuing with  
9 a group that focused on opioid education for  
10 teenage adolescents.  
11 Q. And did you have any personal  
12 involvement in either of those endeavors?  
13 A. I didn't do much as it related to the WE  
14 project, but all of our work on opioid abuse and  
15 take-back was part of -- is part of our corporate  
16 social responsibility pillars, of which we have  
17 four.  
18 Q. And can you tell us what those are?  
19 A. So, they focus on four different aspects  
20 of our business, community, marketplace, the  
21 patient as well as our employees.  
22 Q. If you can pull out, please, for me,  
23 sir, Kaleta Exhibit 6, and I think this is the last  
24 document I wanted to ask you about.

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1 A. Okay.  
2 Q. Kaleta Exhibit 6 is at the beginning an  
3 e-mail from you to Nimesh Jhaveri dated June 19,  
4 2018.  
5 Do you see that?  
6 A. Yes.  
7 Q. And as Mr. Gaddy went through with you,  
8 the e-mail includes attachments of public positions  
9 and talking points on key issues. Right?  
10 A. Yes.  
11 Q. Let me ask you. Do you know in June of  
12 2018 whether Walgreens, the company, was a  
13 distributor of Class II drugs?  
14 A. In June of 2018, I don't believe  
15 Walgreens was a distributor of Class II drugs, no.  
16 Q. If you can turn, please, to the  
17 page that ends with the No. 069.  
18 A. Yes.  
19 Q. And I want to turn to this again just  
20 for the sake of completeness.  
21 If you recall, Mr. Gaddy earlier in the  
22 deposition read to you some statistics from the CDC  
23 regarding drug overdoses in 2016.  
24 Do you see that?

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1 A. Yes.  
2 Q. And do you recall that he went through  
3 the first three sentences of the -- of that  
4 paragraph with you?  
5 A. I believe that's right.  
6 Q. And that's a section entitled "Drug  
7 Diversion and Abuse"?  
8 A. Yes.  
9 Q. Do you see the sentence that begins  
10 "Policymakers"?  
11 A. Yes.  
12 Q. Can you read that sentence for me,  
13 please.  
14 A. "Policymakers are seeking solutions to  
15 aid their efforts to combat drug abuse and overdose  
16 deaths in communities across America, and Walgreens  
17 stands ready to help."  
18 Q. Do you believe that was true at the time  
19 that Walgreens stands ready to help policymakers  
20 seeking solutions to aid their efforts to combat  
21 drug abuse?  
22 MR. GADDY: Objection; form.  
23 BY THE WITNESS:  
24 A. Absolutely.

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1 BY MR. SWANSON:  
2 Q. It continues, "Our pharmacists play a  
3 significant role in counseling patients on the safe  
4 use of medications, and we understand the  
5 challenges our communities face in the fight  
6 against drug abuse."  
7 You believe that was a true statement  
8 when you wrote it or when it was written in the  
9 e-mail here?  
10 A. Absolutely.  
11 Q. Now, there is a reference after that to  
12 other Walgreens' initiatives and it looks like it  
13 lists four of them.  
14 Do you see that?  
15 A. Yes.  
16 Q. The first one is, "Safe medication  
17 disposal receptacles in more than 600 pharmacies in  
18 45 states and Washington, D.C. with plans to add an  
19 additional 900 stores in the near future."  
20 Right?  
21 A. Yes.  
22 Q. Now, I don't want to dwell on this.  
23 Well, let me ask you. Is this the  
24 take-back program that you spent quite a bit of

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1 time today responding to questions from Mr. Gaddy  
2 about?  
3 A. Yes.  
4 Q. And I just want to make sure that  
5 your -- that some of your testimony might have been  
6 cut off or objected to, so I want to ask you.  
7 Is the take-back program that Walgreens  
8 has implemented, is that something, sir, that  
9 you're personally proud of?  
10 MR. GADDY: Objection; form.  
11 BY THE WITNESS:  
12 A. Extremely proud of what we've done with  
13 combating opioid abuse, including our Safe  
14 Medication Disposal Program, as well as pushing for  
15 legislation which was included in the Comprehensive  
16 Addiction Recovery Act that was passed this past  
17 year.  
18 That included electronic prescribing  
19 provision which mandates that all electronic -- all  
20 controlled substances within the Medicare D program  
21 have to be electronically prescribed, which cuts  
22 down on not only errors, but a great deal of  
23 diversion, phony scripts, a whole bunch of other  
24 issues.

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1 So, we advocated very hard on that and  
2 we are very pleased to see it included in the CARA  
3 bill.  
4 Q. All right. And I'll ask you about that  
5 in a moment. Right now I just want to focus on the  
6 take-back program at Walgreens.  
7 I think you mentioned that Walgreens had  
8 won some awards for that program. Is that fair?  
9 A. Yes. We have been recognized by the  
10 California stewardship program for our efforts on  
11 the take-back program. We've also been recognized  
12 by the Partnership for Drug-Free Kids for our  
13 leadership with the take-back program. And we've  
14 been honored by a number of municipalities around  
15 the country for what we've done on take-back.  
16 Q. All right. The --  
17 MR. GADDY: Objection. Excuse me. Sorry.  
18 Objection to the portion that was  
19 non-responsive. Go ahead.  
20 BY MR. SWANSON:  
21 Q. The second initiative that's listed  
22 there is the "Naloxone available without a  
23 prescription in 45 states and Washington, D.C."  
24 Again, not something that I want to

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1 belabor because I think that's something you've  
2 already discussed today?  
3 A. Yes.  
4 Q. No. 3 is "Member of the Opioid Safety  
5 Alliance, a broad-based coalition of patient  
6 groups, provider organizations, employers and  
7 payers dedicated to advancing technology-enabled  
8 solutions to combat the scourge of opioid misuse."  
9 Do you know what that's a reference to?  
10 A. Yes. It's a coalition that has banded  
11 together to -- in support of solutions around the  
12 opioid crisis, including the electronic prescribing  
13 act that I mentioned just a little bit ago.  
14 Q. And the final is the "Recent launch of  
15 the 'Combat Opioid Abuse' site on Walgreens.com for  
16 patients seeking information and resources about  
17 opioid abuse."  
18 Do you know what that is?  
19 A. Yes. As we've built out a whole bunch  
20 of different programs and responses to the opioid  
21 crisis, we now have a place on our Walgreens  
22 website where patients can go and seek out a number  
23 of different solutions for their medications, for  
24 Naloxone, counseling, education and a number of



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1 other efforts.

2 Q. You mentioned in an earlier answer a

3 reference to electronic prescribing, and I lost the

4 answer a little bit because I was referring to

5 take-back and not electronic prescribing. So, I

6 want to ask you since you mentioned it.

7 What is the electronic prescribing that

8 you were referring to?

9 A. We supported legislation that was

10 introduced in the House and the Senate which would

11 mandate electronic prescribing of controlled

12 substances within the Medicare program with the

13 goal of cutting down on errors as well as diversion

14 with different scripts.

15 It's something we have been pushing for

16 over a few years, and we're fortunate to have that

17 provision included in the CARA bill, which is the

18 Comprehensive Addiction and Recovery Act of

19 20, I believe, 17.

20 Q. You said that electronic prescribing you

21 believe cuts down on diversion. Can you tell us

22 how that works or why you think that's the case?

23 A. Sure.

24 MR. GADDY: Objection to form.

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1 BY THE WITNESS:

2 A. So, paper prescriptions are easy to

3 duplicate, copy or do any number of different

4 nefarious things in order to try to have folks fill

5 more than one script with one different

6 prescription.

7 So, basically the doctor is then writing

8 it electronically and it's being sent directly to

9 the pharmacy, and then that patient who saw that

10 doctor is the only one that's able to pick it up as

11 well as it's not then changing hands with a whole

12 bunch of people once that patient leaves the

13 doctor's office.

14 Q. So, you spoke earlier in the deposition

15 about your personal view that Walgreens has

16 responsibility to help with prescription drug

17 abuse. The initiatives that you've just described,

18 are those some of the ways in your view that

19 Walgreens was attempting to fulfill that

20 responsibility?

21 A. Absolutely. Those are some, but not all

22 of the different pursuits and programs,

23 legislation, initiatives that we've tried to push

24 forward to help our patients and communities across

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1 the country deal with opioid abuse.

2 MR. GADDY: Mr. Kaleta, thank you. I don't

3 have any further questions for you.

4 FURTHER EXAMINATION

5 BY MR. GADDY:

6 Q. Mr. Kaleta, you referenced a couple of

7 different programs that you indicated Walgreens has

8 supported, several that we've talked about today

9 and one in particular that we haven't talked about

10 about e-prescribing just now?

11 A. Yes.

12 Q. When did that go into effect?

13 A. But it's been a long day, but I want to

14 say 2017.

15 Q. Okay. 2017 for e-prescribing.

16 The program that you just referenced

17 regarding opioids as it relates to combat, do you

18 know what I'm referring to? Sorry.

19 A. I don't know if I do.

20 Q. Sorry. The recent launch of the Combat

21 Opioid Abuse site.

22 A. Oh. Yes.

23 Q. When did that go into effect?

24 A. Sometime in the last couple of years

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1 because this document is from 2017 I believe.

2 Q. Okay. And in 2017 the language used was

3 "The recent launch of the Combat Opioid Abuse site

4 on Walgreens.com," correct?

5 A. Yes.

6 Q. So, do you agree '17, '16ish?

7 A. So, we have been lobbying on electronic

8 prescribing for the better part of a decade.

9 Q. I am asking about the Combat Opioid

10 Abuse.

11 A. Right. I thought you were lumping the

12 two together.

13 Q. No.

14 A. I believe the Combat Opioid Abuse is

15 actually a built-out formal section. We have had

16 able to find safe medication kiosks on our site for

17 almost three years now as well as other tools.

18 This is just a more formal and easier place to find

19 information on our site that we moved to sometime

20 in the last year and a half.

21 Q. The Combat Opioid Abuse site is within

22 the last year and a half.

23 MR. GADDY: Corey, if you don't mind, please,

24 putting back up P-GEN-61 and then going to --

<p style="text-align: right;">Page 374</p> <p>1 MR. SWANSON: Putting up what?</p> <p>2 MR. GADDY: I'm sorry. It would be No. 35.</p> <p>3 The maps.</p> <p>4 BY MR. GADDY:</p> <p>5 Q. And in going to I guess the '16 or it's</p> <p>6 going to be the 2016 slide.</p> <p>7 We looked at this earlier, Mr. Kaleta,</p> <p>8 but this was the rate of overdose deaths in the</p> <p>9 country in 2016. You recall that?</p> <p>10 A. Yes.</p> <p>11 Q. And in 2016 is when Walgreens first</p> <p>12 rolled out these medication disposal sites at the</p> <p>13 stores, correct?</p> <p>14 A. In response --</p> <p>15 MR. SWANSON: Objection; asked and answered.</p> <p>16 BY THE WITNESS:</p> <p>17 A. Yeah, in response to new DEA regulations</p> <p>18 that were issued shortly before that.</p> <p>19 BY MR. GADDY:</p> <p>20 Q. Okay.</p> <p>21 A. We didn't have the legal ability to do</p> <p>22 safe medication disposal boxes before that.</p> <p>23 Q. Well, the regulations were finalized in</p> <p>24 2014, correct?</p>	<p style="text-align: right;">Page 376</p> <p>1 taken in the last year or two, the e-prescribing,</p> <p>2 the drug take-back started in '16, the Narcan</p> <p>3 prescription, the website that you said came out in</p> <p>4 the last 18 months or so, you believe that those</p> <p>5 are appropriate actions for Walgreens to take</p> <p>6 partly because of the, I think you've said,</p> <p>7 critical responsibility that companies like</p> <p>8 Walgreens have in addressing the opioid crisis,</p> <p>9 correct?</p> <p>10 MR. SWANSON: Object to form.</p> <p>11 BY THE WITNESS:</p> <p>12 A. I would agree with most of the statement</p> <p>13 except that I would say three years plus for some</p> <p>14 of the programs you had mentioned.</p> <p>15 BY MR. GADDY:</p> <p>16 Q. Okay. If you'd turn in that document to</p> <p>17 page 28 of 343 if you're looking at the bottom of</p> <p>18 the page.</p> <p>19 A. 28 of 343. Okay. Yes.</p> <p>20 Q. Would you agree that one of the reasons</p> <p>21 that Walgreens has a critical responsibility to</p> <p>22 address the opioid crisis is because Walgreens</p> <p>23 played a role in causing the opioid crisis?</p> <p>24 MR. SWANSON: Object to form and beyond the</p>
<p style="text-align: right;">Page 375</p> <p>1 A. That's correct.</p> <p>2 Q. Okay.</p> <p>3 A. With questions that took us a good bit</p> <p>4 of time to work through.</p> <p>5 Q. If you'd grab -- I'm sorry. I don't</p> <p>6 know the number, but it's the big thick one in a</p> <p>7 binder.</p> <p>8 A. Okay.</p> <p>9 Q. And I think it's Exhibit 9. Is that</p> <p>10 what you got on the front of it there?</p> <p>11 A. Yes.</p> <p>12 Q. And you talked a little bit about these</p> <p>13 programs that have been implemented in the last</p> <p>14 year or two as far as the take-back, the</p> <p>15 e-prescribing, the website, the Narcan dispensing.</p> <p>16 As far as you're concerned, that's</p> <p>17 appropriate because of the responsibility that</p> <p>18 Walgreens has to address the opioid crisis,</p> <p>19 correct?</p> <p>20 MR. SWANSON: Object to form.</p> <p>21 BY THE WITNESS:</p> <p>22 A. Can you repeat the question?</p> <p>23 BY MR. GADDY:</p> <p>24 Q. Sure. The actions that Walgreens has</p>	<p style="text-align: right;">Page 377</p> <p>1 scope of my cross.</p> <p>2 BY THE WITNESS:</p> <p>3 A. No.</p> <p>4 BY MR. GADDY:</p> <p>5 Q. Go to the next page, page 29, and there</p> <p>6 is paragraph D in the middle of the page.</p> <p>7 Do you see that?</p> <p>8 A. Yes.</p> <p>9 Q. It says, "Oviedo is a town of about</p> <p>10 34,000 people and is home to two Walgreens retail</p> <p>11 pharmacies. Beginning in late 2010, these two</p> <p>12 pharmacies became the site of multiple arrests by</p> <p>13 the local police for drug offenses. The local</p> <p>14 Chief of Police began writing letters to the</p> <p>15 pharmacies after each arrest stemming from the</p> <p>16 prescriptions they filled. These letters informed</p> <p>17 the pharmacy of the circumstances of the arrest and</p> <p>18 that the dispensed drugs were not being used for</p> <p>19 treatment."</p> <p>20 Do you see that?</p> <p>21 A. I do.</p> <p>22 Q. Were you aware of this information?</p> <p>23 A. I was not.</p> <p>24 MR. SWANSON: Object to form and beyond the</p>

<p style="text-align: right;">Page 378</p> <p>1 scope of my cross.          2 BY MR. GADDY:          3 Q. You see it continues to say, "They          4 further provided the pharmacy with the name and          5 date of birth not only of the person whose          6 prescription they filled, but also of others          7 associated with the illegal distribution of the          8 dispensed drugs. These letters then concluded with          9 a request for the pharmacy's help in 'dealing with          10 the prescription medication epidemic' by soliciting          11 a commitment to stop further incidents."          12 Do you see that?          13 A. I see that sentence, yes.          14 Q. Would you agree that Walgreens, as I          15 think you testified to already, would have a          16 responsibility to deal with the prescription          17 medication epidemic by stopping -- by committing to          18 stop further incidents such as these?          19 MR. SWANSON: Object to form, asked and          20 answered, beyond the scope of cross.          21 BY THE WITNESS:          22 A. So, I'm not familiar with this binder.          23 Earlier today is the first time I have seen it and          24 I have not seen this section D, so I don't know</p>	<p style="text-align: right;">Page 380</p> <p>1 that contributes to the opioid crisis as opposed to          2 help address it?          3 MR. SWANSON: Object to form, beyond the          4 scope.          5 BY THE WITNESS:          6 A. I've not seen this document before and          7 I've not seen this section, so I don't have a basis          8 for an opinion.          9 BY MR. GADDY:          10 Q. Pretend the document is not there.          11 Okay?          12 A. Okay.          13 Q. If I was to tell you that in March of          14 2011 that a local sheriff thought that the          15 Walgreens stores in his jurisdiction had become          16 bastions of illegal drug sales and drug use, you          17 would agree that that is contributing to the opioid          18 crisis as opposed to helping to solve it, correct?          19 MR. SWANSON: Object to form, incomplete          20 hypothetical, calls for speculation and beyond the          21 scope of the cross. Could have done this all          22 before and you did.          23 BY THE WITNESS:          24 A. Yeah, that's another hypothetical, could</p>
<p style="text-align: right;">Page 379</p> <p>1 what it refers to. I'm not familiar with it.          2 BY MR. GADDY:          3 Q. Okay. If you go down to section F,          4 about halfway through the paragraph it starts,          5 "On March 15, 2011."          6 Do you see that?          7 A. I do.          8 Q. It says, "He sent identical letters to          9 both the chairman and CEO of Walgreens asking them          10 for their support and assistance in combating the          11 prescription drug epidemic, informing them that          12 Oviedo 'has seen the parking lots of your stores          13 become a bastion of illegal drug sales and drug          14 use' where once the prescriptions are filled, 'the          15 drugs are sold, distributed as payment, crushed and          16 snorted, liquefied and injected, or multiple pills          17 swallowed while in the parking lot of your          18 pharmacies."          19 Do you see that?          20 MR. SWANSON: Object to form.          21 BY THE WITNESS:          22 A. I see what's highlighted, yes.          23 BY MR. GADDY:          24 Q. Would you agree that activity such as</p>	<p style="text-align: right;">Page 381</p> <p>1 have, would have, should have. Whatever happened          2 around the country ten years ago, I can't speak to          3 that.          4 BY MR. GADDY:          5 Q. Okay. You don't know whether or not          6 that type of activity would make the opioid crisis          7 worse or better?          8 A. I think you're --          9 MR. SWANSON: Same objections.          10 BY THE WITNESS:          11 A. Yeah, I think your summary of that          12 activity is real vague. So, I'm not sure exactly          13 what you're referring to.          14 BY MR. GADDY:          15 Q. You would agree it's not a good thing          16 for Walgreens stores to be called a bastion of          17 illegal drug sales. You would agree with that,          18 right?          19 MR. SWANSON: Object to form.          20 BY THE WITNESS:          21 A. Can you repeat your question?          22 BY MR. GADDY:          23 Q. Would you agree that it's not a good          24 thing to be told that Walgreens stores and their</p>

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1 parking lots in particular have become a bastion of  
2 illegal drug sales and drug use?  
3 MR. SWANSON: Object to form, scope.  
4 BY THE WITNESS:  
5 A. So, if you're asking in a vacuum if that  
6 particular sentence and just that sentence or  
7 statement is something that would be -- what was  
8 the word you used?  
9 BY MR. GADDY:  
10 Q. Bastion of illegal drug sales.  
11 A. No, would that be bad for Walgreens, is  
12 that what --  
13 Q. Would it be bad, period?  
14 A. I would agree with that, yes.  
15 MR. SWANSON: Objection.  
16 MR. GADDY: That's all the questions I have,  
17 Mr. Kaleta.  
18 MR. SWANSON: All right.  
19 MR. GADDY: You ready to go right in?  
20 THE WITNESS: I think I need to go to the --  
21 MR. GADDY: No problem.  
22 THE WITNESS: -- bathroom real quick.  
23 THE VIDEOGRAPHER: We are off the record at  
24 4:26 p.m.

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1 (WHEREUPON, a recess was had  
2 from 4:26 to 4:31 p.m.)  
3 THE VIDEOGRAPHER: We are now on the record.  
4 The time is 4:31 p.m. on December 18, 2018. This  
5 is the 30(b)(6) testimony of Mr. Ed Kaleta.  
6 Counsel will be noted on the  
7 stenographic record.  
8 Will the Court Reporter please swear in  
9 the witness.  
10 (WHEREUPON, the witness was duly  
11 sworn.)  
12 EDWARD KALETA,  
13 called as a 30(b)(6) witness herein, having been  
14 first duly sworn, was examined and testified as  
15 follows:  
16 EXAMINATION  
17 BY MR. GADDY:  
18 Q. State your name, please.  
19 A. Edward Kaleta.  
20 Q. And if you don't mind saying your title  
21 for me one more time.  
22 A. Vice president of federal government  
23 relations and U.S. public policy.  
24 Q. And do you understand that you've been

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1 designated by Walgreens to provide testimony today  
2 on a single topic pursuant to a Deposition Notice  
3 under Rule 30(b)(6)?  
4 A. I do.  
5 Q. Okay. I've handed you a document which  
6 we're going to call Kaleta No. 1 as it relates to  
7 the 30(b)(6) deposition.  
8 (WHEREUPON, a certain document was  
9 marked Walgreens-Kaleta 30(b)(6)  
10 Exhibit No. 1: Second Notice of  
11 Deposition to Deft. Walgreens Boots  
12 Alliance, Inc. a/k/a Walgreen Co.)  
13 BY MR. GADDY:  
14 Q. Have you seen this before?  
15 A. Yes, I saw this. My counsel provided it  
16 to me.  
17 Q. Okay. Prior to seeing this -- let me  
18 ask you this first.  
19 When did you first find out you were  
20 going to be a 30(b)(6) designee for this case?  
21 A. About a month ago probably.  
22 Q. Okay. When you were first told that,  
23 did you know what it meant?  
24 A. I did not.

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1 Q. If you turn to page 8 of that Notice, do  
2 you see topic 12 in the middle of the page?  
3 A. Yes.  
4 Q. Is it your understanding that this is  
5 the topic you have been designated on?  
6 A. That's correct.  
7 Q. It says, "Your participation,  
8 relationship or association with any trade  
9 organization, including, but not limited to, the  
10 HDA, the NACDS, PhRMA, including the submission of  
11 amicus briefs."  
12 Do you see that?  
13 A. I do.  
14 MR. SWANSON: I'll just note that he is being  
15 produced subject to objections that were made to  
16 that topic in an August 31, 2018 letter from my  
17 colleague Ms. Swift.  
18 MR. GADDY: Let me ask you. Is there any --  
19 certainly aware there were objections made. I know  
20 there has been some rulings made on other, as it  
21 relates to other Defendants. I don't believe there  
22 was any rulings made as it relates to that topic.  
23 MR. SWANSON: I think that's correct.  
24 MR. GADDY: Are you limiting his testimony in

<p style="text-align: right;">Page 386</p> <p>1 any way, shape or form based merely on the raising  2 of an objection?  3 MR. SWANSON: Well, let's go through the  4 questions and we'll find out.  5 MR. GADDY: You can tell me if you have  6 instructed him not to answer a question or not to  7 prepare for a topic as we get there?  8 MR. SWANSON: I'll object as beyond the scope,  9 and then I think we can sort that out later if we  10 need to and if the testimony is within.  11 BY MR. GADDY:  12 Q. Mr. Kaleta, if you'd turn to page 2 for  13 me. Do you see at the bottom of page 2 there is a  14 section called "Duty to Prepare"?  15 A. Yes.  16 Q. It says, "The testimony elicited in the  17 deposition represents Walgreens' knowledge, not the  18 individual deponent's knowledge."  19 Do you understand that?  20 A. I do.  21 Q. Obviously we've spent several hours  22 today taking your individual fact deposition but  23 you understand this is different, right?  24 A. Yes.</p>	<p style="text-align: right;">Page 388</p> <p>1 MR. SWANSON: 6.  2 THE WITNESS: 6, close.  3 BY THE WITNESS:  4 A. 30(b)(6) designation meant. Spent a  5 fair amount of time on that and explaining, as you  6 just outlined, the difference between that and my  7 personal testimony.  8 We did a little -- I -- I had a couple  9 conversations with colleagues to confirm  10 information related to our membership in some of  11 these trade associations, including information  12 when it was available, in which case -- in some  13 cases in which it wasn't, about our participation  14 in trade associations prior to 2011 when I was at  15 the company.  16 BY MR. GADDY:  17 Q. Okay. How many people -- you said  18 colleagues. How many colleagues did you talk to?  19 A. Three maybe.  20 Q. Who did you talk to?  21 A. Casey Cesnovar. There was a gentleman  22 that was on the phone and he was referenced in one  23 these other documents that I had mentioned I had  24 heard his name before. Excuse me. I mentioned</p>
<p style="text-align: right;">Page 387</p> <p>1 Q. When you answer questions, you're  2 answering as Mr. Walgreens as opposed to  3 Mr. Kaleta. You understand that distinction?  4 A. I do.  5 Q. It goes on to say, it says, "Therefore,  6 if Walgreens' designee is not knowledgeable about  7 the matters specified in the Deposition Notice, it  8 must nonetheless prepare such designee to give  9 knowledgeable, binding answers."  10 Do you see that?  11 A. I do.  12 Q. Have you done anything to prepare to be  13 Walgreens' designee on this topic today?  14 A. I have.  15 Q. Okay. About how much time did you spend  16 preparing to testify on this topic today?  17 A. About three hours.  18 Q. Okay.  19 A. Maybe two.  20 Q. Okay. If you would, describe for me  21 what you did to prepare.  22 A. So, there was a couple components to it.  23 One was obviously seeing this notice, having my  24 counsel explain what the 30(b)(4).</p>	<p style="text-align: right;">Page 389</p> <p>1 earlier in my personal testimony that I had heard  2 his name and talked with him.  3 THE WITNESS: I don't know if you can help me.  4 MR. SWANSON: I can't help you. It's your  5 testimony.  6 THE WITNESS: Okay.  7 BY THE WITNESS:  8 A. Do you want me to go through the  9 documents?  10 BY MR. GADDY:  11 Q. No.  12 A. Okay.  13 Q. Who is the third person?  14 A. It's going to take me a while. Forgive  15 me. The head cold is definitely in full force  16 after eight hours. So, I'm trying to pull the  17 other person that we had a conversation with.  18 I did talk to Pete Wilson in our legal  19 department. So, Casey, Pete and then the other  20 gentleman.  21 Q. Okay.  22 A. I believe that's the list.  23 Q. Okay. Any one of those folks more  24 important than the other as far as kind of the</p>



<p style="text-align: right;">Page 390</p> <p>1 primary source that you got information from?</p> <p>2 A. Not necessarily, no.</p> <p>3 Q. Let me start with what I think will be</p> <p>4 some easy ones.</p> <p>5 Has Walgreens ever been a member of HDA</p> <p>6 or the HDMA?</p> <p>7 A. I don't believe that Walgreens has ever</p> <p>8 been a member of HDA or HDMA, but my understanding</p> <p>9 is that I can go back to 2004 is about when I can</p> <p>10 go back to. But I don't believe so. I can say</p> <p>11 with fair amount of certainty we have not.</p> <p>12 Q. Okay. Has Walgreens ever been a member</p> <p>13 of PhRMA?</p> <p>14 A. No.</p> <p>15 Q. Again, is that a definitive no or no</p> <p>16 back to '04?</p> <p>17 A. That was a definitive no.</p> <p>18 Q. Has Walgreens ever been a member or is</p> <p>19 Walgreens a member of NACDS?</p> <p>20 A. National Association of Chain Drug</p> <p>21 Stores, yes.</p> <p>22 Q. How long has Walgreens been a member of</p> <p>23 that trade association?</p> <p>24 A. I was able to determine that we have</p>	<p style="text-align: right;">Page 392</p> <p>1 Q. Of any? I'm sorry?</p> <p>2 A. Of NABP.</p> <p>3 Q. Oh. Gotcha. Turn to page 8 for me, if</p> <p>4 you don't mind, back where it lists your topic.</p> <p>5 You see there it says, "Your</p> <p>6 participation, relationship or association in any</p> <p>7 trade association."</p> <p>8 Do you see that?</p> <p>9 A. I do.</p> <p>10 Q. Did you limit your inquiry only to the</p> <p>11 three that are listed there?</p> <p>12 A. I did not.</p> <p>13 Q. Okay. So, of the four that I've asked</p> <p>14 you about, let me summarize it and you can tell me</p> <p>15 if I got it right or not.</p> <p>16 You don't believe you've ever been a</p> <p>17 member of had but can only say so with certainty</p> <p>18 back to '04. You've never been a member of PhRMA.</p> <p>19 You've been a member of NACDS going back to the</p> <p>20 early '90s, and you're not sure about NABP?</p> <p>21 A. Correct.</p> <p>22 Q. What other trade associations is</p> <p>23 Walgreens a member of?</p> <p>24 A. You want the whole list?</p>
<p style="text-align: right;">Page 391</p> <p>1 been a member since, I want to say, going into the</p> <p>2 early '90s.</p> <p>3 Q. Has Walgreens ever been a member of the</p> <p>4 NABP?</p> <p>5 A. The National Association of Boards of</p> <p>6 Pharmacy?</p> <p>7 Q. Correct.</p> <p>8 A. I believe we have, but I can't say for</p> <p>9 certain.</p> <p>10 Q. Is that one that you inquired about or</p> <p>11 asked about?</p> <p>12 A. It wasn't. I don't believe it was on</p> <p>13 this document.</p> <p>14 Q. Okay.</p> <p>15 A. We work with the National Association of</p> <p>16 Boards of Pharmacy; but as to whether we are a</p> <p>17 member, I don't know the answer to that.</p> <p>18 What I can also add is that my area is</p> <p>19 responsible for paying all trade association dues,</p> <p>20 and so with the exception of individuals in our</p> <p>21 company that have gone out of the process and are</p> <p>22 paying for trade association dues out of their own</p> <p>23 budget without our knowledge, I'm not aware that we</p> <p>24 have been a member of NABP.</p>	<p style="text-align: right;">Page 393</p> <p>1 Q. Yes.</p> <p>2 A. How much time do you have?</p> <p>3 Q. How many?</p> <p>4 A. Do you want federal? Do you want state?</p> <p>5 Q. Start with federal.</p> <p>6 A. You want with local chambers of</p> <p>7 commerce? Those are technically trade</p> <p>8 associations.</p> <p>9 Q. Start with federal.</p> <p>10 A. So, at the federal level we are members</p> <p>11 of the Business Round Table. We're members of the</p> <p>12 Retail Industry Leaders Association. The acronym</p> <p>13 is RELA. We're members of the American Benefits</p> <p>14 Council. We're members of the National Business</p> <p>15 Group on Health.</p> <p>16 I believe that's currently where we are</p> <p>17 at the federal level.</p> <p>18 Q. Okay. Any of those four trade</p> <p>19 organizations deal with opioids?</p> <p>20 A. I would say yes, that Business Round</p> <p>21 Table and the Retail Industry Leaders Association</p> <p>22 have had conversations related to the opioid</p> <p>23 epidemic and its potential impact on very -- the</p> <p>24 members organizations and workforce. They have</p>

<p style="text-align: right;">Page 394</p> <p>1 not, that I'm aware of, lobbied on behalf of the 2 opioid epidemic. 3 Q. Okay. Have they lobbied on behalf of 4 member businesses such as Walgreens? 5 A. On other issues? 6 Q. Sure. 7 A. Yes. 8 Q. Do all of these trade associations that 9 you just mentioned, these four, conduct lobbying 10 activity? 11 A. Yes. 12 Q. Okay. And all of them lobby on behalf 13 of the interest of their members, just maybe not on 14 opioids, correct? 15 A. I'm sorry. What was the last part of 16 your question? 17 Q. They all lobby on behalf of the interest 18 of their members, just maybe not on opioids? 19 A. That's correct. 20 MR. SWANSON: Object to form. 21 BY MR. GADDY: 22 Q. So, are you aware of any of those four 23 lobbying on any opioid-related issues? 24 A. I'm not aware.</p>	<p style="text-align: right;">Page 396</p> <p>1 and so I have more intimate knowledge around that 2 area. 3 Q. Who did you talk to to get information 4 about HDA or HDMA? 5 A. So, I had knowledge myself and I also 6 talked to Casey and I talked to Pete and I talked 7 to the third gentleman whose name I can't recall at 8 this point. 9 Q. Through your association and membership 10 in NACDS, do you ever interact with HDA and HDMA as 11 it comes to common interest in lobbying? 12 MR. SWANSON: Object to form and scope. 13 BY THE WITNESS: 14 A. So, Walgreens interacts, has 15 historically, with HDA on different issues, yes. 16 BY MR. GADDY: 17 Q. Has Walgreens interacted with HDA on 18 issues related to opioids? 19 A. I would say the answer is yes in that we 20 have spent extensive time working with HDA on the 21 Drug Supply Chain Security Act that passed in 2014 22 that was dealing with trying to update the 23 technology in the supply chain and, so, on a 24 de facto basis that impacts opioids. So, yes.</p>
<p style="text-align: right;">Page 395</p> <p>1 Q. Are there any state trade associations 2 that Walgreens is a member of that conducts 3 lobbying activity on behalf of its members related 4 to opioids? 5 A. I believe there are. There are pharmacy 6 trade associations in various states that we are 7 members of. There are pharmacy and retail 8 associations in various states that we are members 9 of. I would point to Illinois. I would point to 10 Florida. And there's a handful of others that have 11 lobbied at various times on opioid-related matters. 12 Q. Do you know the name of the association 13 in Florida? 14 A. I believe there's the Florida Retail 15 Association and I believe they also have a Florida 16 Pharmacy Association. In some states it's combined 17 and in some states it's two different distinct 18 organizations. 19 Q. Were you saying something? 20 A. Uh-uh. 21 Q. Would those be the only two state trade 22 associations within Florida? 23 A. I believe so. But, again, the lion's 24 share of my responsibility is at the federal level</p>	<p style="text-align: right;">Page 397</p> <p>1 Q. Any other issues other than that one? 2 A. With HDA? 3 Q. Correct. 4 A. I believe that an amicus brief was filed 5 with NACDS and HDA, but that was another area where 6 I had to be prepared for that one during my 7 preparation. I wasn't familiar with it prior to 8 that. 9 Q. Okay. Who did you speak with about the 10 amicus brief? 11 A. Within Walgreens? 12 Q. Correct. 13 A. I spoke to I believe only Pete Wilson 14 about the amicus brief. 15 Q. Okay. What was the issue on which the 16 amicus brief was submitted? 17 A. It had to do with -- oh, God, I need to 18 remember the name. It had to do with distribution 19 of opioids, and Walgreens I know through NACDS was 20 in support of the amicus brief. But I'm not aware 21 and I didn't hear from anybody that we actually 22 provided legal input or writings as it related to 23 the amicus brief. The Masters case. That's what 24 it was called.</p>

<p style="text-align: right;">Page 398</p> <p>1 Q. Did Walgreens support the amicus brief 2 that was submitted in that case?</p> <p>3 MR. SWANSON: Object to form, beyond the 4 scope.</p> <p>5 BY THE WITNESS:</p> <p>6 A. So, we supported it through NACDS.</p> <p>7 BY MR. GADDY:</p> <p>8 Q. What do you mean by that?</p> <p>9 A. On any number of different issues, NACDS 10 reaches out to its membership and asks for input on 11 an issue. That was an example.</p> <p>12 Q. That would have been an issue on which 13 Walgreens would have issued and responded 14 affirmatively that they support that amicus brief 15 being submitted?</p> <p>16 A. That's correct.</p> <p>17 MR. SWANSON: Object to form.</p> <p>18 BY MR. GADDY:</p> <p>19 Q. Did Walgreens have an opportunity to 20 review that brief before they gave their 21 affirmative support that it should be submitted?</p> <p>22 A. I believe we did, yes.</p> <p>23 Q. And after reviewing that amicus brief, 24 Walgreens gave their affirmative support to NACDS</p>	<p style="text-align: right;">Page 400</p> <p>1 handle both retail as well as pharmacy issues for 2 Walgreens.</p> <p>3 Q. And these state trade associations that 4 you're referencing in Illinois and Florida, do they 5 restrict their lobbying to state legislatures as 6 opposed to federal?</p> <p>7 MR. SWANSON: Object to form.</p> <p>8 BY THE WITNESS:</p> <p>9 A. The short answer is no. There are 10 instances where federal legislation has an impact 11 on states and different state trade associations, 12 retail associations will weigh in. It's not 13 common, but it happens.</p> <p>14 BY MR. GADDY:</p> <p>15 Q. Are there any federal trade 16 organizations you can think of that Walgreens is a 17 member of or associated with other than NACDS and 18 the four that you mentioned, the Business Round 19 Table, the retailers. Can't read my own writing. 20 Those four. Are there any others that you can 21 recall?</p> <p>22 A. The National Association of Specialty 23 Pharmacy, which I'm on the Executive Committee on, 24 so I clearly should have remembered that one.</p>
<p style="text-align: right;">Page 399</p> <p>1 to support or in favor of that amicus brief being 2 filed in the Masters Pharmaceutical case, correct?</p> <p>3 A. Yes.</p> <p>4 MR. SWANSON: Object to form.</p> <p>5 BY MR. GADDY:</p> <p>6 Q. Did Walgreens propose any edits or 7 changes or amendments to the brief prior to it 8 being filed?</p> <p>9 A. I don't believe so.</p> <p>10 Q. Did Walgreens voice any objections to 11 any aspects of the brief that was filed?</p> <p>12 A. I don't believe so.</p> <p>13 Q. When I asked you about state trade 14 associations, you singled out Florida and Illinois. 15 Any particular reason for those two states?</p> <p>16 A. Yes. They're our first and third 17 largest states in terms of number of stores. So, 18 I'm more familiar with them than I am with other 19 states.</p> <p>20 Q. The lobbying or the trade associations 21 in Illinois, would they be similar to the ones that 22 you mentioned from Florida?</p> <p>23 A. They are joint in Illinois. IRMA is the 24 Illinois Retail Manufacturers Association, and they</p>	<p style="text-align: right;">Page 401</p> <p>1 Again, I blame the head cold.</p> <p>2 Q. Does "specialty pharmacy," do those two 3 words have anything to do with opioids?</p> <p>4 A. No.</p> <p>5 Q. Does that trade association have 6 anything to do with opioids?</p> <p>7 A. No.</p> <p>8 Q. I'll ask you about NACDS in a minute. 9 But any of the other federal trade 10 organizations that Walgreens is a member of, do any 11 of them do any lobbying regarding the laws, rules 12 and regulations surrounding drug distribution or 13 drug dispensing?</p> <p>14 A. That we're members of?</p> <p>15 Q. Correct.</p> <p>16 A. I don't believe so, no.</p> <p>17 Q. Are there any significant or well-known 18 federal trade organizations that do represent 19 retail pharmacies that Walgreens is not a member of 20 that you're aware of?</p> <p>21 A. Yes.</p> <p>22 Q. What would that be?</p> <p>23 MR. SWANSON: Object to the form and scope. 24 BY THE WITNESS:</p>

<p style="text-align: right;">Page 402</p> <p>1 A. National Retail Federation. 2 BY MR. GADDY: 3 Q. National Retail Federation? 4 A. That's correct. 5 And technically you're -- can you repeat 6 the words you use to describe. Just retail 7 pharmacies, is that all you said? 8 Q. Correct. 9 A. The National Community Pharmacy 10 Association also technically represents retail 11 although there is usually one or two or three. So, 12 they're not described as a chain. NCPA also would 13 lobby on opioid-related matters. We are not a 14 member of either NRF or NCPA. 15 Q. Let's talk about NACDS for a minute. 16 Within that trade organization, are 17 there different committees or councils or 18 leadership groups that have been formed? 19 A. Yes. 20 Q. Are there any that you're aware of that 21 any Walgreens employees serve on? 22 A. Yes. 23 Q. Can you name one of them, one of the 24 leadership committees. Sorry.</p>	<p style="text-align: right;">Page 404</p> <p>1 recommendations to the Board of Directors. 2 Q. I will show you what I will mark as 3 Kaleta 2. 4 (WHEREUPON, a certain document was 5 marked as Walgreens-Kaleta 30(b)(6) 6 Exhibit No. 2: DEA Compliance 7 Working Group 1/10/13 Meeting 8 Summary; CAH_MDL2804_02933683 - 9 02933700.) 10 BY MR. GADDY: 11 Q. And there is an e-mail up front. But, 12 frankly, what I am getting at is the attachment. 13 A. Okay. 14 Q. If you want to flip to that. 15 Do you recognize this attachment? It's 16 going to be -- 17 A. Excuse me. I don't believe I've seen 18 this document before. 19 Q. The -- do you recognize this is a 20 National Chain of -- National Association of Chain 21 Drug Stores document, correct? 22 A. I do. 23 MS. DESH: I don't believe you can show this 24 document to the witness. It was produced by</p>
<p style="text-align: right;">Page 403</p> <p>1 A. So, Richard Ashworth and Alex Gourlay 2 are members of the Board of Directors of the NACDS 3 board. 4 Q. And how long has Mr. Gourlay been a 5 member of the Board of Directors? 6 A. About four years. 7 Q. What about for Mr. Ashworth? 8 A. About three. 9 Q. And what does that position entail? 10 MR. SWANSON: Object to form, scope. 11 BY THE WITNESS: 12 A. I mean, typical to a Board of Directors 13 for a company or a trade association, the goal is 14 to try to set the strategic vision of the trade 15 association. 16 BY MR. GADDY: 17 Q. Okay. Are there other councils or 18 committees that Walgreens has employees on? 19 A. Yes. 20 Q. What would be the next one? 21 A. Policy Council. 22 Q. What is the Policy Council? 23 A. Policy Council is the entity that helps 24 establish policy positions and makes</p>	<p style="text-align: right;">Page 405</p> <p>1 Cardinal. I don't know if he's on it. 2 MR. GADDY: He's the 30(b)(6) capacity and 3 he's testifying on behalf of Walgreens. Walgreens 4 employees present. 5 MS. DESH: That's correct, but this is a 6 document that was produced by Cardinal. 7 MR. GADDY: Sure. And he's testifying on 8 behalf of Walgreens and Walgreens is on this 9 document. 10 MS. DESH: Is the witness on this document? 11 MR. GADDY: The witness is Walgreens, and 12 Walgreens is on the document. 13 MS. DESH: Do we have anyone from Cardinal? 14 MS. MEYER: Yes, I just got this. So, can you 15 give me a minute to look at it and see what it is. 16 MR. GADDY: Sure. 17 MS. MEYER: Can we take a moment to look at 18 this because I have literally not seen this. 19 MR. GADDY: If it will help, I am happy to rip 20 off the first page that has any Cardinal 21 correspondence on it. I think that's even NACDS 22 correspondence as well. I am looking at the 23 document that's an NACDS document, not a Cardinal. 24 MS. MEYER: Which one are you looking at?</p>

<p style="text-align: right;">Page 406</p> <p>1 MR. GADDY: The attachment. Page 683 at the  2 bottom right-hand corner. It's on National  3 Association of Chain Drug Stores letterhead.  4 MS. DESH: But that is also a Cardinal  5 document which the witness is not on.  6 MS. MEYER: Right.  7 MR. GADDY: The witness is Walgreens and  8 Walgreens is on the document. So...  9 MS. MEYER: You want to take off the cover  10 document?  11 MR. GADDY: That's fine with me. The cover  12 document is also an NACDS document. It's not  13 Walgreens internal e-mails. It's NACDS e-mails --  14 or excuse me. It's not Cardinal Health e-mails.  15 MS. MEYER: Do we mind if we take a break? I  16 need to make a quick phone call.  17 MR. GADDY: Sure.  18 MS. MEYER: Thanks.  19 THE VIDEOGRAPHER: We are off the record at  20 4:58 p.m.  21 (WHEREUPON, a recess was had  22 from 4:58 to 5:03 p.m.)  23 THE VIDEOGRAPHER: We are back on the record  24 at 5:03 p.m.</p>	<p style="text-align: right;">Page 408</p> <p>1 A. Yes.  2 Q. Who is on the Policy Council at  3 Walgreens?  4 A. Ed Kaleta, Rick Gates.  5 Q. And what are your functions on the  6 Policy Council?  7 A. We help determine policy priorities and  8 policy positions for NACDS and make recommendations  9 to the board. The board then decides whether to  10 approve or decline those --  11 Q. Okay.  12 A. -- recommendations.  13 Q. How many people are on the Policy  14 Council?  15 A. Say probably about 25ish.  16 Q. Are there individuals from CVS on the  17 Policy Council?  18 A. Yes.  19 Q. Individuals from Walmart?  20 A. Yes.  21 Q. Individuals from Rite Aid?  22 A. Yes.  23 Q. Individuals from Henry Schein?  24 A. I don't know about Henry Schein.</p>
<p style="text-align: right;">Page 407</p> <p>1 BY MR. GADDY:  2 Q. You got No. 2 in front of you,  3 Mr. Kaleta?  4 A. I do.  5 Q. And I'm on Bates No. that ends in 683 of  6 P-WAG-42.001.  7 A. Is that the first page?  8 Q. That is.  9 A. Okay.  10 Q. That was for Corey.  11 You see this is an NACDS document?  12 A. Yes.  13 Q. And up at the top of the page it  14 indicates it's a DEA Compliance Working Group  15 meeting summary.  16 Do you see that?  17 A. I do.  18 Q. Okay. Let's put that aside for just a  19 minute.  20 So, you had told me that about  21 Mr. Gourlay and Mr. Ashworth who were on the Board  22 of Directors, correct?  23 A. Yes.  24 Q. You also said there is a Policy Council?</p>	<p style="text-align: right;">Page 409</p> <p>1 Q. What about Discount Drug Mart?  2 A. I don't know.  3 Q. What about HBC?  4 A. HBC? No.  5 Q. Giant Eagle?  6 A. Yes.  7 Q. How long have you been on the Policy  8 Council, Ed Kaleta?  9 A. Three years.  10 Q. What about Rick?  11 A. Probably about five.  12 Q. Was there somebody on that Policy  13 Council before you from Walgreens?  14 A. Yes.  15 Q. Who was that?  16 A. Debbie Garza.  17 Q. How long was she on it?  18 A. I don't know the answer to that.  19 Q. You indicated earlier that you think she  20 is in Texas. Do you know if she is employed or not  21 or retired?  22 A. I think she may be -- the last I heard  23 was that she may be working with the Texas  24 Pharmacists Association.</p>



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<p>1 Q. The Texas Pharmacists Association?</p> <p>2 A. That's correct.</p> <p>3 Q. When did she leave Walgreens?</p> <p>4 MR. SWANSON: Scope objection.</p> <p>5 BY THE WITNESS:</p> <p>6 A. July, August of 2015.</p> <p>7 BY MR. GADDY:</p> <p>8 Q. And when she left, is that when -- did</p> <p>9 you take her position?</p> <p>10 A. No. Her position was essentially split</p> <p>11 up. I took a portion and Casey Cesnovar took a</p> <p>12 portion.</p> <p>13 Q. Anybody else -- or sorry.</p> <p>14 Any other Walgreens employees that</p> <p>15 you're aware of that have previously been members</p> <p>16 of the Policy Council?</p> <p>17 A. I can't recall for sure. I think</p> <p>18 Richard probably has been at some point.</p> <p>19 Q. If you go back to Kaleta 30(b)(6) 2, you</p> <p>20 see this is a document referencing a meeting of a</p> <p>21 DEA Compliance Working Group.</p> <p>22 Do you see that?</p> <p>23 A. I do.</p> <p>24 Q. Is that another committee within NACDS?</p>	<p>1 are currently on it?</p> <p>2 A. I believe Tasha Polster is on it.</p> <p>3 Q. How often does the DEA Compliance</p> <p>4 Working Group meet?</p> <p>5 A. I don't know if it has a regular cadence</p> <p>6 or if it's just more a couple times a year. I know</p> <p>7 they typically meet in conjunction with the summer</p> <p>8 meeting of what's referred to as Total Store Expo,</p> <p>9 which focuses -- used to be called Pharmacy and</p> <p>10 Technology Conference and, again, it's typically in</p> <p>11 August. So, I know they meet there and then I</p> <p>12 assume they meet a handful of times otherwise</p> <p>13 during the year.</p> <p>14 Q. Was there a particular committee or</p> <p>15 division within NACDS through which the amicus</p> <p>16 brief on the Masters Pharmaceutical case that we</p> <p>17 were discussing earlier would have been funneled</p> <p>18 through?</p> <p>19 A. Yes.</p> <p>20 Q. Which one is that?</p> <p>21 A. The legal working group.</p> <p>22 Q. Is Pete Wilson on the legal working</p> <p>23 group?</p> <p>24 A. I believe he is.</p>
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<p>1 A. It is.</p> <p>2 Q. How long has that committee been in</p> <p>3 place?</p> <p>4 A. I have no idea. There are dozens of</p> <p>5 different working groups within NACDS.</p> <p>6 Q. Is this the only one that you're aware</p> <p>7 of that's related to DEA compliance?</p> <p>8 MR. SWANSON: Object to form.</p> <p>9 BY THE WITNESS:</p> <p>10 A. There are other working groups that I</p> <p>11 believe have weighed in on matters related to the</p> <p>12 DEA.</p> <p>13 BY MR. GADDY:</p> <p>14 Q. This indicates that in January of 2013</p> <p>15 Rex Swords was a co-chair of the committee,</p> <p>16 correct?</p> <p>17 A. It does indicate that.</p> <p>18 Q. Is he still?</p> <p>19 A. I don't believe so.</p> <p>20 Q. Does Walgreens currently -- strike that.</p> <p>21 Does NACDS still have a DEA Compliance</p> <p>22 Working Group?</p> <p>23 A. I believe they do.</p> <p>24 Q. Are there any Walgreens employees that</p>	<p>1 Q. Any other members or any other employees</p> <p>2 of Walgreens that are on that group?</p> <p>3 A. I believe Michael Freeman is as well.</p> <p>4 Q. Would the participation in the legal</p> <p>5 working group be similar to what you described as</p> <p>6 the Policy Council and have representatives or</p> <p>7 individuals who work for other retail pharmacies</p> <p>8 such as CVS, Walmart, Rite Aid, Giant Eagle and the</p> <p>9 like?</p> <p>10 MR. SWANSON: Object to form, vague.</p> <p>11 BY THE WITNESS:</p> <p>12 A. Yeah, is it similar in terms of</p> <p>13 structure or processes?</p> <p>14 BY MR. GADDY:</p> <p>15 Q. In terms of members of the committee</p> <p>16 coming from a wide cross section of the</p> <p>17 pharmaceutical industry as far as different retail</p> <p>18 pharmacies.</p> <p>19 A. Yes.</p> <p>20 MR. SWANSON: Same objections.</p> <p>21 BY MR. GADDY:</p> <p>22 Q. And that would be the same for most all</p> <p>23 of the different committees or divisions or working</p> <p>24 groups within NACDS, correct?</p>

<p style="text-align: right;">Page 414</p> <p>1 MR. SWANSON: Object to form.          2 BY THE WITNESS:          3 A. No. There are some that actually don't          4 include certain members based on issue subject.          5 BY MR. GADDY:          6 Q. Any that relate to opioids?          7 A. I don't believe so.          8 Q. This particular meeting, in the first          9 paragraph there, it says, "Co-chairs Jason Ausili          10 and Rex Swords started the meeting with a          11 description of the working group's charge from the          12 NACDS Board of Directors."          13 That would have been the Board of          14 Directors that Alex Gourlay and Rick Ashworth are          15 on now, correct?          16 A. That they are on now, correct. They          17 were not back in 2013.          18 Q. Okay. Anybody from Walgreens on the          19 Board of Directors in 2013?          20 A. Yes.          21 Q. Who?          22 A. Greg Wasson.          23 Q. He was the CEO of Walgreens?          24 A. Correct. And I believe Kermit Crawford</p>	<p style="text-align: right;">Page 416</p> <p>1 kind of the top three hot button items right now          2 for that committee?          3 A. Drug pricing. This is not in rank          4 order. Drug pricing, pharmacist scope/provider          5 status, and opioid abuse.          6 Q. Are there other committees that you're          7 aware of that within NACDS that Walgreens employees          8 serve on?          9 A. Yes.          10 Q. What's the next one?          11 A. The direct and indirect remuneration          12 proposed rule, Part D, just formed. I'm the new          13 co-chair.          14 Q. That deals with Medicare Part D?          15 A. It deals with a proposed Medicare rule          16 that was recently released.          17 Q. Any other committees or councils or          18 divisions?          19 A. NACDS has a foundation within its          20 organization. It's a separate legal structure, but          21 there are members of NACDS that serve on that.          22 There is a federal working group. I          23 don't really know what they do. There is a state          24 working group. I've not participated in any of</p>
<p style="text-align: right;">Page 415</p> <p>1 was also on the board.          2 Q. So, talking about the working group's          3 charge from the NACDS Board of Directors, it says,          4 "In particular, the work group is tasked with          5 helping to curb prescription drug abuse through the          6 development of an industry-wide code for controlled          7 substance dispensing. The co-chairs emphasized the          8 need to be forward thinking with the code, and go          9 beyond simply codifying known red flags for abuse."          10 Do you see that?          11 A. I do.          12 Q. Is this typical of the type of topic          13 that would be discussed at a DEA Compliance Working          14 Group meeting?          15 MR. SWANSON: Object to form, scope.          16 BY THE WITNESS:          17 A. I'm not as -- I'm not intimately          18 familiar. I've never served on the DEA Compliance          19 Working Group. I've never attended a meeting. I          20 don't know that I've seen more than a handful of          21 documents over the course of my seven years.          22 BY MR. GADDY:          23 Q. In the scope of the Policy Council that          24 you serve on, what would you say are the -- are</p>	<p style="text-align: right;">Page 417</p> <p>1 those meetings.          2 Those are kind of the ones off the top          3 of my head.          4 Q. What's the difference in the federal          5 working group and the Policy Council?          6 A. The federal working group is meant to          7 keep member organizations, companies, apprised of          8 federal issues that are occurring.          9 The Policy Council is tasked with          10 actually coming up with and figuring out policy          11 recommendations to the Board of Directors.          12 Q. I will show you what I will mark as          13 Kaleta 3.          14 (WHEREUPON, a certain document was          15 marked as Walgreens-Kaleta 30(b)(6)          16 Exhibit No. 3: Document,          17 "Payments, Payments for the 1          18 selected Organization, 12 September          19 2018"; WAGMDL00286426 - 00286428.)          20 BY MR. GADDY:          21 Q. In preparing for this, did you do any --          22 any work or any research to -- into the amount of          23 dues that Walgreens pays to these trade          24 associations?</p>

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1 A. I did although I'm pretty familiar with  
2 the federal organizations.  
3 Q. Okay. And what we're looking at here,  
4 P-WAG-1948 or Bates No. 286426, do you recognize  
5 this to be an itemization of payments made by  
6 Walgreens to the NACDS, National Association of  
7 Chain Drug Stores, going back to, it looks like,  
8 2009?  
9 A. Yes.  
10 Q. Now, it seems like every year there are  
11 annual dues, correct?  
12 A. Correct.  
13 Q. Are those annual dues a set amount? Are  
14 they a -- or are they a percentage of revenue,  
15 market share? How are they calculated?  
16 A. It's a formula that deals with revenue  
17 percentages, percentages based on revenue  
18 increments. So, from X hundred thousand up to a  
19 couple million up to the billions, et cetera.  
20 MR. SWANSON: Let me just get an objection to  
21 scope on this. You can ask the questions, but this  
22 seems to be venturing into Item No. 13. So, I will  
23 have a scope objection, but go ahead and ask.  
24 BY MR. GADDY:

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1 Q. And in this year, 2018, it looks like  
2 your -- Walgreens' annual dues were in the area of  
3 \$1-1/2 million, correct?  
4 MR. SWANSON: Same objection.  
5 BY THE WITNESS:  
6 A. So, we paid our dues in December of  
7 2017.  
8 BY MR. GADDY:  
9 Q. Thank you. I had my line wrong.  
10 December of 2017 you paid the annual  
11 dues of about \$1-1/2 million?  
12 A. Yes.  
13 Q. And if you go -- you also see in here  
14 there are several, it looks like about annually,  
15 there is a fairly large annual due that Walgreens  
16 pays but there are also several smaller amounts in  
17 here.  
18 Do you see that?  
19 A. Yes.  
20 Q. What do these -- first of all, let me  
21 ask you this way.  
22 Is it your understanding that this  
23 represents every payment made from Walgreens to  
24 NACDS going back to December of 2009?

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1 MR. SWANSON: Objection to scope.  
2 BY THE WITNESS:  
3 A. I don't know that I can say it's every  
4 payment. Different employees can join NACDS,  
5 attend their conferences, attend their education  
6 seminars. Some of those are picked up by this, but  
7 some of those are probably paid by either  
8 individual departments, by folks personally. So, I  
9 can't say that it's every single charge.  
10 BY MR. GADDY:  
11 Q. And to be clear, I'm not asking about  
12 individual employees. But as far as Walgreens  
13 corporate, are you able to say that these are all  
14 moneys paid on behalf of Walgreens to NACDS?  
15 MR. SWANSON: Same objection.  
16 BY THE WITNESS:  
17 A. I believe that's correct.  
18 BY MR. GADDY:  
19 Q. And if you look at the last page, you  
20 see the grand total is -- looks to be about  
21 \$10.2 million over the last decade that's been paid  
22 by Walgreens to NACDS?  
23 A. Yeah. That looks right. I see the  
24 number.

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1 Q. Is there any trade association that  
2 Walgreens pays more to be a member of than NACDS?  
3 A. No.  
4 Q. Would it be fair to say that Walgreens  
5 has been an active member in NACDS dating back to  
6 the early '90s?  
7 MR. SWANSON: Object to form, scope.  
8 BY THE WITNESS:  
9 A. Yes.  
10 BY MR. GADDY:  
11 Q. Walgreens made a -- had a constant  
12 presence within NACDS and on different councils or  
13 committees or working groups going back to the  
14 early '90s?  
15 MR. SWANSON: Same objections.  
16 BY THE WITNESS:  
17 A. I don't have personal knowledge of how  
18 many folks were involved during that 20-year  
19 period, but I would agree with your assessment if  
20 you want to say we have been an active member.  
21 BY MR. GADDY:  
22 Q. Do you by chance remember the third guy  
23 you talked to yet?  
24 A. I don't.

<p style="text-align: right;">Page 422</p> <p>1 MR. SWANSON: If it would help, I can suggest</p> <p>2 somebody to him but I don't want to coach the</p> <p>3 witness.</p> <p>4 MR. GADDY: Go ahead.</p> <p>5 MR. SWANSON: And I'm not sure I know who it</p> <p>6 is.</p> <p>7 MR. GADDY: Go ahead.</p> <p>8 MR. SWANSON: Would you like me to do that?</p> <p>9 MR. GADDY: Sure.</p> <p>10 BY THE WITNESS:</p> <p>11 A. Ed Bratton.</p> <p>12 BY MR. GADDY:</p> <p>13 Q. What topic in particular did or what</p> <p>14 area I guess I should say did Mr. Bratton help you</p> <p>15 with?</p> <p>16 A. We had a high-level conversation about</p> <p>17 interaction with NACDS and whether between him and</p> <p>18 Casey and I, our knowledge of how far back our</p> <p>19 membership went.</p> <p>20 Q. You mentioned Tasha Polster being on</p> <p>21 some committee or working group within NACDS at</p> <p>22 some point in time. Mr. Bratton ever been on any</p> <p>23 committees or working groups that you're aware of?</p> <p>24 A. I don't know. He may.</p>	<p style="text-align: right;">Page 424</p> <p>1 I, CORINNE T. MARUT, C.S.R. No. 84-1968,</p> <p>2 Registered Professional Reporter and Certified</p> <p>3 Shorthand Reporter, do hereby certify:</p> <p>4 That previous to the commencement of the</p> <p>5 examination of the witness, the witness was duly</p> <p>6 sworn to testify the whole truth concerning the</p> <p>7 matters herein;</p> <p>8 That the foregoing deposition transcript</p> <p>9 was reported stenographically by me, was thereafter</p> <p>10 reduced to typewriting under my personal direction</p> <p>11 and constitutes a true record of the testimony</p> <p>12 given and the proceedings had;</p> <p>13 That the said deposition was taken</p> <p>14 before me at the time and place specified;</p> <p>15 That the reading and signing by the</p> <p>16 witness of the deposition transcript was agreed</p> <p>17 upon as stated herein;</p> <p>18 That I am not a relative or employee or</p> <p>19 attorney or counsel, nor a relative or employee of</p> <p>20 such attorney or counsel for any of the parties</p> <p>21 hereto, nor interested directly or indirectly in</p> <p>22 the outcome of this action.</p> <p>23</p> <p>24</p> <p>14 CORINNE T. MARUT, Certified Reporter</p> <p>15</p> <p>16 (The foregoing certification of this</p> <p>17 transcript does not apply to any</p> <p>18 reproduction of the same by any means, unless under</p> <p>19 the direct control and/or supervision of the</p> <p>20 certifying reporter.)</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>
<p style="text-align: right;">Page 423</p> <p>1 Q. Anybody else from the pharmacovigilance</p> <p>2 team that you've referenced before that had Eric</p> <p>3 Stahmann, some other folks, any of them that are on</p> <p>4 working group committees that you're aware of?</p> <p>5 A. I'm not aware. There is just too many</p> <p>6 working groups to keep track of.</p> <p>7 MR. GADDY: Mr. Kaleta, that's all I got for</p> <p>8 you.</p> <p>9 THE WITNESS: Okay.</p> <p>10 MR. SWANSON: Nothing from me. Thank you.</p> <p>11 THE VIDEOGRAPHER: We are off the record at</p> <p>12 5:21 p.m.</p> <p>13 (Time Noted: 5:21 p.m.)</p> <p>14 FURTHER DEPONENT SAITH NAUGHT.</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>	<p style="text-align: right;">Page 425</p> <p>1 INSTRUCTIONS TO WITNESS</p> <p>2</p> <p>3 Please read your deposition over</p> <p>4 carefully and make any necessary corrections. You</p> <p>5 should state the reason in the appropriate space on</p> <p>6 the errata sheet for any corrections that are made.</p> <p>7 After doing so, please sign the errata</p> <p>8 sheet and date it.</p> <p>9 You are signing same subject to the</p> <p>10 changes you have noted on the errata sheet, which</p> <p>11 will be attached to your deposition.</p> <p>12 It is imperative that you return the</p> <p>13 original errata sheet to the deposing attorney</p> <p>14 within thirty (30) days of receipt of the</p> <p>15 deposition transcript by you. If you fail to do</p> <p>16 so, the deposition transcript may be deemed to be</p> <p>17 accurate and may be used in court.</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>

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2 ACKNOWLEDGMENT OF DEPONENT

3

4 I, EDWARD KALETA, do hereby certify

5 under oath that I have read the foregoing pages,

6 and that the same is a correct transcription of the

7 answers given by me to the questions therein

8 propounded, except for the corrections or changes

9 in form or substance, if any, noted in the attached

10 Errata Sheet.

11

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13 \_\_\_\_\_

14 EDWARD KALETA           DATE

15

16

17 Subscribed and sworn

18 to before me this

19 \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

20 My commission expires: \_\_\_\_\_

21 \_\_\_\_\_ Notary Public

22

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